Daily Report

East Europe

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FBIS-EEU-94-209 *28 October 1994*

CONTENTS

NOTICE TO READERS: The processing indicators appearing in brackets at the start of each item in this publication have been changed. All indicators now begin with "FBIS" to make the material more easily identifiable in databases. Some also indicate whether the item has been translated from the vernacular or transcribed from English.

All material in this volume previously disseminated in electronic form.

BULGARIA

Greece Discusses Border Region Development *[Sofia Radio]* 1
Commentary Examines Rearming by Turkey, Greece *[KONTINENT 24 Oct]* 1
Turkish Ambassador Discusses PKK Activity *[24 CHASA 21 Oct]* 1
Foreign Minister Not Planning 'Purge' *[Sofia Radio]* 2
Finance Minister Views Deficit, Privatization *[DUMA 21 Oct]* 2
Official Discusses Defense Industry Potential *[BULGARSKA ARMIYA 21 Oct]* 3
BSP Official Predicts Election Results *[KONTINENT 26 Oct]* 3

CZECH REPUBLIC

Brazilian President-Elect, Klaus Meet in Prague *[Sao Paulo AGENCIA ESTADO]* 5
Lux Discusses Agricultural Policy, Quotas *[RUDE PRAVO 20 Oct]* 5
Arms Manufacturer Introduces New Products *[LIDOVE NOVINY 20 Oct]* 6

SLOVAKIA

Moravcik Discusses Options for Government *[NARODNA OBRODA 24 Oct]* 8
Moravcik on Possible Government Resignation *[Bratislava Radio]* 9
Constitutional Court: Moravcik Party Not Unlawful *[Bratislava Radio]* 9
Spokesman Reports on Kovac, Meciar Meeting *[Bratislava Radio]* 10
Meciar Interviewed on Government Formation *[Bratislava Radio]* 10
Parties on Meciar's Approval To Form Government *[Bratislava Radio]* 11
Economy Head Prepared To Be in New Government *[Bratislava Radio]* 11
Kovac Talks With Joint Choice Coalition *[Bratislava Radio]* 11
Christian Democrats To End Coalition Talks *[Bratislava Radio]* 12
KDH Resolved To Leave Parliament Session *[Bratislava Radio]* 12

HUNGARY

Minister Assesses Government's First 100 Days *[NEPSZABADSAG 25 Oct]* 13
HDUR Chairman Discusses Minority Issues *[Budapest Radio]* 13
Expert Says Armed Forces Need Reorganization *[MAGYAR NEMZET 25 Oct]* 14

POLAND

Reaction to Foreign Minister's Resignation 15
Walesa Regretful *[Warsaw Radio]* 15
Prime Minister Surprised *[Warsaw Radio]* 15
Sejm Official Concerned *[PAP]* 15
SLD Head Against *[PAP]* 15
Coalition Divided *[Warsaw Radio]* 15
Conflict Over Foreign Ministry 'Never Ended' *[ZYCIE WARSZAWY 28 Oct]* 15
Party, Church Comment on Walesa Address to Nation *[GAZETA WYBORCZA 28 Oct]* 16
Spokesman: Walesa Not Only One Campaigning *[Warsaw Radio]* 16
Status of Food Imports, Exports Discussed *[GAZETA ROBOTNICZA 18 Oct]* 16

ROMANIA

PD's Severin Views Relations With Moldova *[AZI 22 Oct]* 19
Planned PD(FSN) Party Mergers Announced *[CURIERUL NATIONAL 24 Oct]* 20
Ciorbea Says Government 'Manipulated' Unions *[ROMANIA LIBERA 19 Oct]* 20

BOSNIA-HERZEGOVINA

Reportage on Continuing Regional Fighting 21
Bihac Situation Outlined *[Sarajevo Radio]* 21
Kupres, Doboj Serbs Attacked *[TANJUG]* 21
7th Corps Enters Sipovo *[Sarajevo Radio]* 21
Further on Kupres Attack *[TANJUG]* 22
Overnight Serb Attacks *[Sarajevo Radio]* 22
UNPROFOR Notes Fighting *[Sarajevo Radio]* 23
Army Gains Outlined *[AFP]* 23
Shelling of Central Brcko Front *[Sarajevo Radio]* 23
Refugees Returning to Liberated Bihac Territories *[Sarajevo Radio]* 23
ICRC: 4,000-5,000 Civilians Flee From Offensive *[AFP]* 24
Serbs Threaten Retaliation Against Bihac Safe Area *[TANJUG]* 24
B-H, Serb Delegations Hold Airport Talks *[Sarajevo Radio]* 24
Temporary Cease-Fire Proposed *[Sarajevo Radio]* 25
UN's De Mello Pays Farewell Visit to Izetbegovic *[Sarajevo Radio]* 25
France's Leotard Arrives in Sarajevo 27 Oct *[AFP]* 25
Comments on Lifting Embargo *[Sarajevo Radio]* 25
UN Spokesman on 'Hostile and Provocative' Serbs *[AFP]* 26
Bosnian Croat, Muslim Parties Discuss Federation *[Zagreb Radio]* 26

CROATIA

No Agreement Reached at Croatia-RSK Talks *[Zagreb Radio]* 27
Serb Statement on Talks *[TANJUG]* 27
Foreign Minister Interviewed on German Talks *[Zagreb TV]* 27
UNPROFOR Meeting 'Hostility' in Croatia *[TANJUG]* 28
Role of Banks, 'Old' Savings in Privatization *[FERAL TRIBUNE 10 Oct]* 28
Transformation of Privatization Fund Viewed *[SLOBODNA DALMACIJA 26 Sep]* 30
Effects of Economic 'Colonization' Decried *[SLOBODNA DALMACIJA 26 Sep]* 31

THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA

Alliance for Macedonia Calls on Citizens To Vote *[VECER 27 Oct]* 33
SDSM Leader Criticizes Election Boycott *[VECER 27 Oct]* 33
VMRO-DPMNE Criticizes Election Procedures *[VECER 27 Oct]* 33
VMRO-DPMNE Contests Election Law *[VECER 27 Oct]* 33
DP's Gosev: 'Democracy in Macedonia Lost' *[VECER 27 Oct]* 33
Poll Predicts 80-Percent Election Turnout *[VECER 27 Oct]* 34
Democratic Prosperity Publishes Election Platform *[MIC Sep]* 34
Attempts To Form Albanian Coalition Viewed *[VECER 26 Oct]* 36
Problems With Auctioning of Business Premises *[PULS 23 Sep]* 37

YUGOSLAVIA

Federal

Aid to Bosnia Discussed With Iranian Envoy *[TANJUG]* 40
Chinese Minister Wants Sanctions Lifted *[TANJUG]* 40
Federal Officials View Stabilization Program *[BORBA 5 Oct, etc.]* 40
Conflict Between Leftist Ideologists Reviewed *[VREME 10 Oct]* 41

Kosovo

Local Serbian Leader Criticizes Milosevic *[NIN 21 Oct]* 43

Greece Discusses Border Region Development

AU2610191494 Sofia Khorizont Radio Network in Bulgarian 1700 GMT 26 Oct 94

[FBIS Translated Text] Intergovernmental talks between Bulgaria and Greece on dividing the means allocated by the PHARE [Economic Reconstruction Aid for Poland and Hungary] program within the border regions development program took place today at the Council of Ministers.

Since utilizing the means and working out relevant projects depend on coordination with our southern neighbor, Greece, the final results will be announced tomorrow, at which time the Greek side is expected to confirm in writing the agreements reached today.

These talks were attended by representatives of all ministries and the economic associations participating in border regions projects.

Commentary Examines Rearming by Turkey, Greece

AU2710123494 Sofia KONTINENT in Bulgarian 24 Oct 94 p 6

[Commentary by Konstantin Subchev: "More About the Balkan Powder Keg"]

[FBIS Translated Text] At the international conference "Building a New Future in the Balkans," President Zhelev for the first time expressed doubt about NATO's security concept and his concern over the glaring imbalance in the weapons of Bulgaria on the one hand and those of Turkey and Greece on the other.

Indeed, while Bulgarian pilots do not have fuel for training flights, let alone combat flights, and our tanks date back to the Vietnam war, in 1993 Turkey imported 932 U.S. tanks and Greece 671. In addition, a smaller number of tanks has been imported from France and Germany. As far as our neighbor's air force is concerned, let us only recall that several years ago Turkey began production of F-16 aircraft.

Apparently those facts are not enough for NATO "political commissar" Gebhardt von Moltke, who with aristocratic indulgence tried to allay his hosts' fears by saying that they should not be concerned with this disparity.

This is an irresponsible statement, to put it mildly, from the mouth of someone whose great uncle, Helmut von Moltke, enriched the political vocabulary with his definition of the Balkans as the "powder keg of Europe." Even if we ignore history, however, we are still left with the alarming question: Against whom are Turkey and Greece actually arming themselves?

Turkish Ambassador Discusses PKK Activity

AU2710160694 Sofia 24 CHASA in Bulgarian 21 Oct 94 p 13

[Interview with Turkish Ambassador to Bulgaria Yalcin Oral by Antoaneta Nesheva; place and date not given: "Yalcin Oral: Turkey Renders DPS Moral Support"]

[FBIS Translated Excerpt] [Nesheva] Mr. Ambassador, a few days ago you said in Khaskovo that, according to your information, the Kurdish Workers Party [PKK] is trying to establish a foothold in Bulgaria. Precisely what do you know, and have you informed the Bulgarian authorities?

[Oral] Everything related to the activity of the PKK is a very serious matter. Naturally, we exchanged information with your authorities. The ministries of foreign affairs of our countries have an agreement on the exchange of information regarding subversive activity. This is in the interest of both Bulgaria and Turkey.

[Nesheva] With whom do the illegal Kurdish structures seek contact in Bulgaria? Do you mean mere attempts, or have they already established relations?

[Oral] We must distinguish between Kurdish structures and PKK structures. Kurdish organizations and the PKK are two different things. The PKK is a terrorist organization. I cannot reveal any specific information. This is a very serious issue. Let me say only that we closely follow PKK activity. Recently, a PKK activist visited Bulgaria. What was practically a PKK rally was conducted under the disguise of a student rally. One month ago, a conference took place in Sofia. It was called a conference on the Kurdish issue, but the PKK was behind it.

[Nesheva] In other words, you are sure that the PKK organized those events?

[Oral] Had I not been sure, I would not have answered your question the way I did. All scientific and social activity is commendable, but if we look closely behind the facade of certain events and follow the rules of logic, we will discern the danger.

[Nesheva] You said that one of the PKK leaders was in Bulgaria. There have been reports that PKK leader Abdullah Ocalan himself is in Bulgaria. Is this what you mean?

[Oral] No, I do not mean him.... [passage omitted]

[Nesheva] It is no secret that Ankara supports the Movement for Rights and Freedoms [DPS]. Will you change your attitude toward DPS now that the party has lost its balancing role in parliament and the state?

[Oral] Thank you for this question. The DPS is a Bulgarian political organization and its members are Bulgarian citizens. It is well known that most of them are of Turkish origin—this applies to the leaders, deputies, and members alike. However, this does not change anything. The DPS is a Bulgarian organization, and we think that it is a part of the political process in Bulgaria. We do not view this party apart from Bulgaria's general political scene.

Bulgaria sets an excellent example of developing democracy, among other things, by allowing the existence of that organization and its participation in the political structures.

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Turkey gives the DPS moral support. This is because of the DPS membership—the Bulgarian Turks. However, this does not mean that we do not support the Union of Democratic Forces [SDS] and other democratic organizations.

Certain radical structures sometimes try to create sensations around the minority issue. Are the members of the Turkish minority Bulgarian citizens? Do they serve Bulgarian interests? Such sensations are a dangerous game. I wish that the people who kindle them would change their attitude, because no one benefits from this.

You have a Turkish minority. There are many people in Turkey who have ties with Bulgaria. I mean immigrants who have relatives in Bulgaria. I view this as a positive factor that could facilitate the development of our relations. We must utilize this natural link better, and we should not force it in any way. That would be regrettable. [passage omitted]

[Nesheva] Is a visit to Bulgaria by Turkish Prime Minister Tansu Ciller envisaged in the near future?

[Oral] Such a visit has been planned for a long time. She wants very much to visit Bulgaria; unfortunately, urgent affairs in recent months have delayed the visit. You are facing elections, and Turkey too is preparing for elections. However, Mrs. Ciller will probably visit Bulgaria at the beginning of 1995.

Foreign Minister Not Planning 'Purge'

AU2610190594 Sofia Khorizont Radio Network in Bulgarian 1700 GMT 26 Oct 94

[FBIS Translated Text] The caretaker cabinet will follow the priorities of Bulgarian foreign policy regarding integration into the basic European and Euro-Atlantic structures and peace in the Balkans, said Foreign Minister Ivan Stanchov today at his first news conference.

He stressed that his plans regarding Ministry of Foreign Affairs personnel do not have the character of a purge, and that diplomats who have proven their quality will be promoted to better positions.

Minister Stanchov said that he has reached agreement with Trade Minister Kiril Velev on holding a competition for trade representative positions. Also, ambassadors to London and other European, African, and Latin American capitals will be appointed.

Finance Minister Views Deficit, Privatization

AU2710160794 Sofia DUMA in Bulgarian 21 Oct 94 pp 1, 4

[Interview with Khristina Vucheva, deputy prime minister and minister of finance, by Boyan Dimov; place and date not given: "The Budget Deficit Will Not Increase"]

[FBIS Translated Excerpt] [Dimov] Parliament was dissolved one month before introducing the 1995 budget. Will the Ministry of Finance continue the work on the budget? When will the framework of the new state plan be clarified?

[Vucheva] The work on the 1995 budget is at a rather advanced stage. It was initiated by the previous cabinet. Unfortunately, we do not have a bill on forming the budget, which is something that we should have had. Usually, such a bill regulates the terms and dates for forming the budget. Our bill, which is very obsolete, does not determine fixed terms. We will continue to work on the budget and attain a situation that will allow the next cabinet to rapidly assess the macroframework, make the necessary changes, and submit the bill to the National Assembly.

Personally, I hope a new cabinet will be formed by February at the latest, so that we will be relieved. It is impossible to implement any serious work on the budget. This can be done only by a cabinet supported by parliament. Furthermore, any cabinet that works on the budget bill must specify the dimensions of the budget and take a stand on the social security bill and the liberalization of prices and revenue. Many issues must be coordinated with parliament.

[Dimov] What is your forecast concerning the implementation of the budget deficit in 1994?

[Vucheva] I will not allow a deficit increase. The budget bill must be implemented. The last amendment adopted by the National Assembly does not affect the deficit. Parliament amended the part of the budget that deals with the revenue in order to allow the possibility of receiving loans from the Bulgarian National Bank. However, this did not affect the existing deficit in revenue (33.6 billion leva).

[Dimov] The struggle against corruption is one of the caretaker cabinet's main tasks. Is it possible to implement this goal?

[Vucheva] I am very eager to achieve this goal, but I am rather pessimistic. This evil developed a long time ago when no one was willing to admit that the phenomenon existed. At the beginning of 1993, I published an article in which I said that if measures were not adopted immediately, afterwards it would be too late. The further development and strengthening of criminal activities since then caused the present situation. It would be possible to cope with the situation if the National Assembly members were to unanimously express their willingness to deal with the issue, and if they themselves are interested in the elimination of corruption.

For example, for two years, parliament did not want to vote on the profit tax bill, and in this sphere we continue to act on the basis of Decree No. 56. I do not think this is accidental. With its unclear contents, this document creates a wonderful possibility to conceal profit and evade taxes. The Accounting Chamber case is of a similar nature. [passage omitted]

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[Dimov] Could the state debt be decreased through privatization?

[Vucheva] This was the principle in England and France, where a great deficit existed and the state could no longer compensate the losses of the state sector. We cannot subjugate our privatization to this principle. We must change the principle of management and create new jobs. As a minister of finance, I would like to find people prepared to pay the highest price for the state enterprises. However, it is more important to stop the destruction of the state sector. Everyone closed their eyes in the past and allowed the development of hidden privatization. The budget did not profit in any way from that privatization. However, I think that the greater evil was that this privatization did not create any income, not even in the real sector. The enterprises were drained of their financial resources and a situation conducive to speculation and amassing capital was created. No country ever benefited from such a situation.

Official Discusses Defense Industry Potential

AU2710151394 Sofia BULGARSKA ARMIYA in Bulgarian 21 Oct 94 pp 1, 3

[Interview with Tosho Mukhtanov, chairman of the 36th National Assembly Defense Industry Commission, by Major Spiridon Spiridonov; place and date not given: "Military Production Exports Increased Several Times"]

[FBIS Translated Text] [Spiridonov] Is our defense industry still alive?

[Mukhtanov] It is an indisputable fact that Bulgaria's defense industry last year demonstrated that it is alive and could not only be profitable but also provide additional guarantees of national security. In 1994 we not only revived several productions, but exports have increased several times compared to last year. This is a result of the availability of ready production capacity and free resources in the Army.

[Spiridonov] Do you share the assessment that this is only part of our defense industry's real possibilities?

[Mukhtanov] The indisputable result I mentioned was achieved by engaging only 20-30 percent—and in some enterprises 50 percent—of the capabilities. Less than 30 percent of the capabilities of the major enterprises have been engaged.

[Spiridonov] This is an indication of the tremendous potential of our defense industry. Unfortunately, that potential has not been fully implemented.

[Mukhtanov] Our view on the matter, which was published by our commission in July 1994, is that the existence, development, and future of our defense industry must be linked to our national policy as conducted by future cabinets. Our embassies abroad, the existing trade organizations, and the producers themselves must all be involved with the defense industry. Information concerning the market conditions must come from all sides.

[Spiridonov] It would be difficult to penetrate new markets without new lines of production....

[Mukhtanov] We must overcome the radically negative influence of the deterioration in mastering new products and lines of production. The enterprises themselves have visions and have even developed programs. However, despite the fact that the income from producing and exporting weapons is increasing, the means for developing new lines of production are not being allocated. Separate projects are very expensive and cannot be implemented unless they become a matter of national priority and are financed by the state.

[Spiridonov] Are you satisfied with the defense industry's organizational structure?

[Mukhtanov] Some of the small associations we created several years ago have reached a dead end, while others are facing bankruptcy. Management issues have been transferred from the Ministry of Industry to the Council of Ministers, and elementary decisions have sometimes been postponed for months. If we want to implement our defense industry's potential, we must improve its management by creating a national structure. Then the government will deal only with the normative acts, while the national structure will resolve personnel, organizational, and commercial issues.

[Spiridonov] Could you explain how ordinary citizens could benefit from defense industry development?

[Mukhtanov] The Arkos enterprise in Lyaskovets this year rehired 1,200 workers; the enterprise in Sopot, 2,000. In addition to a willingness to stabilize the enterprise, the military plant in Sopot also worked out a stabilization program for the entire Rhodopes region. There are already small enterprises linked to the main plant. Under the present conditions this is a heroic act. The defense industry could do the same in other regions as well.

BSP Official Predicts Election Results

AU2810100194 Sofia KONTINENT in Bulgarian 26 Oct 94 p 3

[Interview with Ivan Purvanov, deputy chairman of the BSP Supreme Council, by Svetlana Belousova; place and date not given: "BSP and Its Partners Will Have 67 Percent of 37th National Assembly Seats"]

[FBIS Translated Text] [Belousova] Mr. Purvanov, is the Bulgarian Socialist Party [BSP] ready for the elections?

[Purvanov] There are no precise criteria on the basis of which a political force could unconditionally state that it is ready for elections. However, I think that, in this

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respect, the BSP is one step ahead of the other political forces in its degree of readiness.

[Belousova] Precisely what do you mean?

[Purvanov] First of all, on the eve of the election campaign, the BSP prepared, discussed, and adopted, through an all-party referendum, a long-range program that represents a stable ideological foundation. It was on this foundation that the BSP prepared, and is now editing, its election platform, which specifies the long-range ideas contained in the party program. The complete elaboration, including directions and terms, will be incorporated into the program of government, which will be far more voluminous and detailed. However, that program will naturally be published after the elections. This is the practice in the European countries.

[Belousova] Are you already working on the program of government, or do you prefer to await the election results first?

[Purvanov] We are working in a parallel manner. I would say that the program of government is in an advanced stage of preparation. All three documents have a pronounced national-patriotic character. The BSP program is already a public domain; we are working on the platform; and, later on, we will publish our program of government. All three documents have a clear social nuance. I am convinced that the BSP will apply a moderate, leftist, and social program as of the first months of its government.

[Belousova] Many remarks and recommendations have been made regarding the election platform. Is this not an indication that it has been poorly worked out?

[Purvanov] The BSP adopts each of its serious documents after a serious discussion. The platform's basic concept is actually contained in the program, which was adopted by referendum. This is the continuity I mentioned before. The 10 directions outlined in the platform are actually the 10 ideas regarding a leftist-centrist agreement spelled out in our program.

[Belousova] What slogan will the BSP use in its election campaign?

[Purvanov] Several variants are being discussed and we have a different approach to each. In the next few days, we will probably propose to the public several slogans such as "Change, Security, Stability," and "BSP—Creative Force." We will most likely continue to think in this direction and seek the most synthesized form of our constructive, creative policy. However, it would hardly be possible to synthesize everything into one key word. A pronounced aspiration on the part of our opponents to exploit and overexploit the name "Bulgaria" is now evident. Apparently, the national-patriotic idea will dominate the election campaign, but I leave it to the analysts and experts to determine the most synthesized expression of this idea will be.

[Belousova] The Union of Democratic Forces [SDS] has already displayed its posters, while the BSP has still not decided on the form of the posters it will use.

[Purvanov] This speaks of an obvious nervousness and haste at SDS headquarters. This precompetition fever will hardly help them.

[Belousova] What is your forecast regarding the election results?

[Purvanov] The BSP will win a decisive victory. I am sure that we will even have more than an absolute majority in the next National Assembly. I do not mean only the number of votes. The impression exists that the leftist wave that has engulfed all of Eastern Europe will not pass Bulgaria by. This is a social protest that is growing, and it will apparently be expressed in massive support for the BSP and all Bulgarian leftist forces in the elections. I think that at least three leftist and leftist-centrist coalitions will be represented in the next National Assembly—a narrower coalition around the BSP; a coalition of the Democratic Alternative for the Republic [DAR], which will inevitably have numerous social elements in its platform and policy; and the Patriotic Alliance, in which liberal formations are also represented—with which we could nevertheless work in a constructive manner. Precisely those forces will have more than 67 percent of the seats in the next National Assembly. Of course, this does not mean that everything will unfold smoothly.

[Belousova] How much time will the BSP need to correct things in Bulgaria?

[Purvanov] I must admit that the analysis of our experts directs us toward a moderate and cautious forecast. The BSP leadership does not want to sow unnecessary illusions in this respect. The solving of the crisis (this is how I interpret your expression "to correct things"), will not be an easy process, and it must be remembered that 1995 could be a critical year, regardless of the BSP's subjective efforts. Viewed realistically we could expect the negative processes to stop in 1996. From that point on, we could start to think about social achievements.

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Brazilian President-Elect, Klaus Meet in Prague

PY2710165394 Sao Paulo AGENCIA ESTADO in Portuguese 2126 GMT 26 Oct 94

[FBIS Translated Text] Prague, 26 Oct (AE)—The economy was the main topic on the agenda of a meeting between President-elect Fernando Henrique Cardoso and Czech Prime Minister Vaclav Klaus today that lasted more than one hour. Like Cardoso, Klaus won the last election thanks to the success of an economic plan he implemented while he was finance minister of the old Czechoslovakia. In less than four years, after the end of the communist regime, Klaus's liberal economic program privatized almost 90 percent of state-owned enterprises.

"My popularity now stands at 68 percent," Klaus said. His country has one of the world's lowest unemployment rates—3.14 percent—while annual inflation stands at 9 percent. The prime minister explained to Cardoso the privatization process implemented through the distribution of state company participation bonds to Czech citizens, noting that the government now intends to privatize the health sector.

Cardoso said there is an affinity between the Czech and Brazilian stabilization programs. One of the points of coincidence is the fact that neither government reached an agreement with the IMF (International Monetary Fund). "Klaus avoided the IMF intervention, and so did we," Cardoso said.

During a tour of Prague, Fernando Henrique Cardoso amused himself at a stand in the city's old square, where coins were being made, one by one, with fire. "We will see whether we can manage to do the same at the Central Bank," the president-elect jokingly said, promising to tightly control the printing of reals.

On the third day of his visit to the Czech Republic, Cardoso tried to prevent his wife, Ruth, from shopping in Prague. "I am against consumption," he repeatedly said, while she bought souvenirs for their relatives.

Lux Discusses Agricultural Policy, Quotas

AU2710132694 Prague RUDE PRAVO in Czech 20 Oct 94 pp 1, 4

[Interview with Czech Agriculture Minister Josef Lux by Stanislav Ptacnik; place and date not given: "Prices of Pork Could Send the Inflation Spiral Spinning"]

[FBIS Translated Text] [Ptacnik] The State Market Regulation Fund (SFTR) is blamed most for the rapid growth in the prices of meat and potatoes. Will there be any changes in its operation?

[Lux] The SFTR will continue to focus on the key commodities—cereals, meat, and milk. Direct subsidies for 1995 are planned only in exports of milk. Cereal procurement should be managed by means of state guaranteed credits. The fund still expects term purchase of cereals in the spring and down payments to farmers, with actual accounting taking place later. We do not expect any substantial changes in the commodities with balanced supply and demand. After all, the SFTR does not have the means to affect their prices.

[Ptacnik] Does this also apply to pork, the prices of which are currently audaciously following beef prices in their rise?

[Lux] In the instance of pork, there is actually a certain danger that the prices will send the inflation spiral spinning. If the growth of prices, which are reaching 38-40 Czech korunas [Kc] per kilogram of live weight, does not stop soon, we are prepared to open the market to imports. We do not want to allow, however, that only the packers and dealers profit from the customs waver. Our experiences from the past indicate that such a step would affect the retail price only marginally.

[Ptacnik] How does the current price growth fit with your earlier opinion that food prices are more like a brake on inflation?

[Lux] This thesis is based on data included in the "Report on the State of Agriculture." Hence, it is not invariable in time. It has been losing its validity regarding certain types of food in recent weeks and months. If the trend continued, which I do not expect, prices of food could, on the contrary, become one of the stimuli for inflation.

[Ptacnik] So, where should one seek the solution?

[Lux] I see the key in the efficiency of the entire sector, in which, so far, the surplus of supply over demand prevented even good farmers from realizing at least a minimum profit. They are trying to make up for it, and that is quite understandable. I also expect a more active role from the Agrarian Chamber and its bodies in the discussions on the amount of production and development trends for individual commodities in the future.

[Ptacnik] You keep repeating that surplus processing capacity—and therefore only partial utilization—is contributing to the growth of prices. Do you see any way out?

[Lux] We did not want to solve the quite obvious surplus capacity before the privatization of food-processing enterprises by alluding to certain meat-packing plants, dairies, and sugar refineries. I expect that, as the supply and demand balance out, the market itself will do the sorting. This time is now fast approaching, and the decent and correct behavior from the past in relations between producers and processors is now bearing interest. Who pays for raw materials in time, has, as a rule, no problems with supply. The reluctant payers have more stoppages and longer waiting times, higher cost and prices. In time, such enterprises will certainly have to close down.

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[Ptacnik] What about another "hot potato" of this fall—potatoes?

[Lux] I do not expect any great drama in supplying the market with potatoes. Even with the small crop, the sown 77,000 hectares will suffice to satisfy the needs of our citizens. Nevertheless, we intend to go back to this commodity at the next SFTR Council meeting. We consider the profits from the sale of this commodity, particularly on the part of the merchants, to be unjustifiably high, exceeding the tolerable limit.

[Ptacnik] How do you feel about the amount of money proposed for your department in next year's budget?

[Lux] The key figure for me is Kc6.5 billion. This amount consists of Kc5.65 billion in noninvestment subsidies for agricultural entrepreneurs and Kc850,000 for the SFTR. If we compare this with the 1994 budget, it is a small increase, and I consider that a success—namely, the original proposal by the Finance Ministry considered expenditures Kc1 billion lower.

[Ptacnik] The Guarantee Fund, through which most of the state money is to flow this year, has difficulty placing the funds in individual sectors. Will the method of distribution of agricultural subsidies change?

[Lux] The Guarantee Fund will remain the fundamental tool for distributing state funds because we consider it an asset if banks are to assess the entrepreneurial plans. Since the beginning of the year, the entrepreneurs obtained more than Kc4 billion through this fund. It is obvious, however, that this money goes mostly to the areas with intensive agricultural production. Therefore, an additional program is needed for extensive areas, where the goal is desirable changes in the structure of production.

[Ptacnik] Could you be more specific about this support?

[Lux] In addition to partial payment for the cost of maintenance of permanent grasslands to the amount of Kc2,000 per hectare, we want to support cow farming without market dairy production. We intend to transfer 70,000-100,000 cows to this system next year. This should help to reduce the expected surplus of 740 million liters of milk and expenditures connected with subsidizing its exports.

[Ptacnik] Will that not result in yet another decline in the number of dairy cows?

[Lux] A further reduction in the number of dairy cows would be dangerous. There are approximately 790,000 dairy cows kept in the Republic at this time. If we want to avoid a new imbalance in the beef market, I see the 750,000 dairy cows as the lowest possible limit.

[Ptacnik] Banks decide on the use of the Guarantee Fund means. They are not very fond of lending money to farmers, however.

[Lux] It is not the only way, and not even the prevalent one. The entrepreneurs and small owners will receive some of the subsidies directly. They are intended to support reforestation or conversion into grassland, forest maintenance, or improvement of the livestock gene bank and various health improvement programs. In addition, we are interested in implementing changes in the structure in favor of the cultivation of technical plants, with rape in first place. We want to stimulate the production of biodiesel fuel and bio-oil more effectively.

[Ptacnik] Both farmers and food manufacturers are limited by insolvency and the decline in financial discipline. What should be done about this burning problem?

[Lux] We are considering the options of ameliorating the flow of money in our sector. In addition to the purchase of debts by means of the Guarantee Fund, we are seeking ways of making it easier for the farmers to finance stock that has a long turnover, which is one of the specific features of agriculture.

[Ptacnik] Do the production quotas, which even the Agricultural Commission of the European Union recently recommended to its member states, reach the ear of the Czech Government?

[Lux] I consider the question of compatibility of agrarian policies prior to the Czech Republic's joining the EU to be one of the key problems. Although there is great pressure within the EU to change the agrarian policy, there certainly will be some temporal discrepancy at the time of integration. We are certainly going to have to adjust most. These changes will not be as painful for the Czech farmers as they are for the Austrian farmers, for instance. I am of the opinion—and the recent meeting with the Central European Free Trade Association counterparts in Warsaw confirmed this—that a well-balanced agrarian policy is unthinkable without active participation on the part of the state. If the quotas on the part of the EU are a binding condition, we are ready to discuss them, despite our reservations against this type of regulatory tool.

Arms Manufacturer Introduces New Products

AU2710124094 Prague LIDOVE NOVINY in Czech 20 Oct 94 p 2

[Article by "(ivh)": "Czech Pistols in Demand"]

[FBIS Translated Text] Uhersky Brod—Dealers in light arms from more than 30 countries of Europe, North and South America, and parts of Africa and Asia began a three-day meeting in Uhersky Brod yesterday. The meeting is taking place at the invitation of Ceska Zbrojovka [Czech Arms Factory] representatives.

As Ceska Zbrojovka Director General Miroslav Duda told LIDOVE NOVINY, "We want to introduce our visitors, who comprise Ceska Zbrojovka's largest arms customers, to new products of our own design and to sign new contracts for 1995." Since the beginning of this year,

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the arms factory has exported 619 million Czech korunas worth of arms, mainly to Turkey, Austria, the FRG, and the United States. Among its biggest customers are the firms Transmetal (Turkey), Frankonia (Germany), and Sarnitz and Kings (Austria). According to Duda, among its most sought-after products are CZ 75 and CZ 85 pistols, the 9-mm caliber Luger, which sell for $550 apiece on the U.S. market.

Answering a question from LIDOVE NOVINY, the director general ruled out the possibility of arms deliveries to high-risk regions or countries that are subject to the UN embargo. Since last year's scandal, when pistols and Skorpion submachine guns ostensibly intended for the Panamanian Army were actually supposed to find their way into the countries of former Yugoslavia in a roundabout way, Ceska Zbrojovka has not recorded a similar case, according to Duda. "In mid-September, after meeting all of the conditions, we obtained a new license according to the new Law on Arms Exports and are authorized to deal in those products," Duda added.

As Ceska Zbrojovka Commercial Director Ivo Janeba told the foreign visitors, the firm is among the most consolidated companies in the entire Czech Republic. "By the end of the year, we will manufacture more than 200,000 rifles and over 450,000 pistols, which will be the largest amount since 1989," Janeba said. Moreover, the firm has completed the development of LADA, a new submachine gun model, with which it would like to equip the armies of the former East bloc.

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Moravcik Discusses Options for Government

AU2710151094 Bratislava NARODNA OBRODA in Slovak 24 Oct 94 pp 1, 3

[First installment of an interview with Slovak Prime Minister Jozef Moravcik by unidentified NARODNA OBRODA correspondents in Bratislava; date not given: "An Informal Meeting in NARODNA OBRODA With Jozef Moravcik on the Three Possibilities for Forming a New Government"]

[FBIS Translated Text] "We had originally thought that the current government should receive a mandate until May 1995, at least. Six months is not nearly long enough to resolve our problems or for changes to take place in the voters' base. Despite a certain change, the situation from March was repeated in the election," said Prime Minister Jozef Moravcik in his brief introduction to the informal meeting held in our editorial office. The forecasts have been fulfilled, and two balanced groups with diametrically opposing views on the style of government have emerged victorious from the election. The current coalition disagrees with changes to the constitutional system and to the status and person of the president, while the current opposition considers these changes to be a prerequisite for the stability of the future government. It is impossible to form a stable government that will last for four years without mutual concessions and compromises and the interpenetration of these two groupings. Negative signals are now beginning to reach us from abroad about this deadlock.

[NARODNA OBRODA] The two groups have set insurmountable perimeters. Where do you see the starting point so that the provisional government does not have to carry on until Christmas or longer?

[Moravcik] Of course, long postponements would not benefit Slovakia. The ball is now in the HZDS [Movement for a Democratic Slovakia] court, but the president also has the means of speeding up the formation of the government by adopting constitutional measures.

[NARODNA OBRODA] Do you think that a government based on the current coalition would be a lasting one?

[Moravcik] There are, in fact, three possibilities: 1) the interpenetration of the HZDS and the current coalition; 2) a minority government involving the HZDS, the SNS [Slovak National Party], and the Association of Workers of Slovakia [ZRS]; and 3) a minority government involving the current coalition. If the courage and ability to make compromises is not found, it is the coalition's duty to resort to the third possibility.

[NARODNA OBRODA] The participation—or support—of the ZRS would help to form a majority government in the first and third cases. Do you have any regrets about not paying more attention to the election campaign? How is the HZDS behaving in the current situation?

[Moravcik] If it were to become apparent that the election winner is unable to fulfill its mandate and form a government based on compromises, this should be reflected in public opinion. Despite our responsibility for executing power and establishing the Democratic Union [DU], we devoted all of the energy we had left to the campaign. A more populistic or perhaps demagogic tone for the campaign would have been unacceptable to us. I do not think that forming a government for 18 months for the third time is being taken into consideration by the HZDS. Even very loyal voters do not forgive the same mistake three times.

[NARODNA OBRODA] Does the personal antipathy between the leaders of the two blocs rule out a compromise and the "interpenetration" you mentioned?

[Moravcik] Personal grudges cannot be elevated to the primary issue. The antipathy proceeds from the different approaches to policy and to its aims. The HZDS is insisting on making changes to the constitutional system, changes that no one else is willing to accept.

[NARODNA OBRODA] Is the person of Ivan Lexa, in particular, a bone of contention between V. Meciar and the president?

[Moravcik] I do not think so. The president's powers, as defined by the Constitution, are obviously unacceptable for Meciar. On the other hand, the president can conduct government sessions and does not have to accept the recommendation to appoint government members. So, given the current situation, the prime minister has to share power, and the question is whether the election winner can do this.

[NARODNA OBRODA] As a former member of the HZDS, do you think this movement's leaders are united in their views? Can a different opinion be asserted before the person advocating it is expelled from the movement?

[Moravcik] A variety of opinions is a matter of course almost everywhere. This will acquire significance if it fits in with casting doubt on the parliamentary form of government, casting doubt on the president. We have been witnessing this since the beginning of the year. The aim is to convince citizens that the democratic bodies of state power are nonfunctional. And, if someone were then to come up with a different solution, it could be acceptable for part of the public. Casting doubt on DU's participation in the election is also part of this political game. If the Constitutional Court rejects the complaint, the issue will remain a minor occurrence.

[NARODNA OBRODA] And, if it does not?

[Moravcik] A serious problem will arise. Doubt will be cast on the credibility of Slovakia and on whether it is able to effectively administer executive power, its statehood, and democratic rules.

[NARODNA OBRODA] Did you think the HZDS would cast doubt on the 10,000 mandatory signatures,

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especially in connection with the rejection of their referendum? Given that 250,000 people voted for you, was it such a problem even to obtain 50,000 signatures in 24 hours?

[Moravcik] We had reckoned with this eventuality. It is not possible to prevent mistakes from cropping up among the 14,922 signatures. However, we consider a 50-percent reserve to be sufficient.

[NARODNA OBRODA] As a lawyer, what is your view of the stance adopted by your colleagues Mrs. Tothova and Mr. Cuper?

[Moravcik] I cannot express an opinion on it as a lawyer because this is a political point of view. The 10,000 mandatory signatures represent, after all, a political entity's entrance ticket to the election or whether it has any chance at all of winning at least 10,000 votes. Given that we received 250,000 votes, the reservations expressed look to be very deliberately political. The Constitutional Court should verify whether the legal procedure was adhered to. It was; the Regional Electoral Commission checked the lists. In the event that any shortcomings were found, it was obliged, according to law, to give us 24 hours to have them removed. So, we have every reason to be untroubled.

[NARODNA OBRODA] However, at his first meeting with [National Council Chairman] I. Gasparovic, Meciar said unequivocally that the HZDS would strive to ensure that the mandates of the DU deputies were not confirmed.

[Moravcik] If the Constitutional Court were not to issue its decision before the first National Council of the Slovak Republic meeting on 3 November and doubts were cast on the DU mandates, the same thing would certainly also apply to the mandates of the HZDS deputies. A complaint has also been submitted to the Constitutional Court in connection with the HZDS's violation of the law. In launching our complaint, we intentionally made the same procedural mistakes as the HZDS—in order to make it possible for the Constitutional Court to back away from the two cases for procedural reasons. There is only one legal remedy against a decision by the Constitutional Court, an appeal to the Council of Europe. You can certainly understand that we would not like to make one.

[NARODNA OBRODA] Do you think that a broad coalition with the HZDS is a realistic possibility?

[Moravcik] I do not think it is very likely. I personally doubt that the HZDS would give up the conditions that, until now, it has advocated so emphatically and that are unacceptable to potential partners. Most effective but, at the same time, most difficult is the model of a minority government. It, of course, would have to maintain a majority in parliament at virtually every session. During the visit by Denmark's Queen Margrethe, I discussed this issue with Danish Foreign Minister Petersen. This model has been tried and tested by them; it even unites Danish society. But it requires an opposition that conducts itself rationally.

[NARODNA OBRODA] Well, there you have it. We are back home. We would like to turn once more to an issue already broached: Do the members of the current coalition have any ideas about addressing the voters so that they are listened to and the end result is more consequential?

[Moravcik] As far as DU is concerned, I think we achieved all we could in the short time and under the given conditions. Every change made in our platform could have meant certain gains—but also certain losses. I see a certain problem in the left's diffusion. The SDL moved further to the right than it should have. This vacated space on the left. If the Luptakites declare their affinity to the SDL, it is necessary to be sensitive to this. However, the same thing applies to the right's diffusion.

Moravcik on Possible Government Resignation

LD2710220494 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1600 GMT 27 Oct 94

[FBIS Translated Text] The government so far does not consider resigning before it is bound by the Constitution—that is, on the day of the inaugural meeting of the new parliament—Prime Minister Jozef Moravcik told TASR. He said this in connection with speculation that, if parliament speaker Ivan Gasparovic did not agree with the participation of substitutes for the deputies who are minister, they would resign in order to be able to take part in the session.

Constitutional Court: Moravcik Party Not Unlawful

LD2710220394 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1730 GMT 27 Oct 94

[FBIS Translated Text] Miroslav Lukac has the latest information from the Constitutional Court:

[Lukac] I am in the Constitutional Court in Kosice. Very briefly, about the results of today's plenary session of the Constitutional Court, which was not open to the public: The Constitutional Court rejected the election complaints made by the Movement for a Democratic Slovakia [HZDS] and the Slovak National Party [SNS] about the illegality of the election of the Democratic Union [DU] to the Slovak parliament.

Judge Dr. Burcak said that the court made this decision on the basis of purely legal arguments and nothing else. He explained the decision by saying that what the proposers claimed and demanded is within the limits of the law. However, their actual claims did not form a basis for demanding what they demanded. For the same reason, the Constitutional Court rejected DU's complaints.

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According to Judge Dr. Drgonec, under certain circumstances, DU's election complaint could have been justifed if DU had asked for something other than what it asked for, Dr. Drgonec said.

Spokesman Reports on Kovac, Meciar Meeting

LD2810103794 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 0600 GMT 28 Oct 94

[FBIS Translated Text] Yesterday's talks between the leaders of the parties that made it into the new parliament and President Michal Kovac culminated in a meeting between President Kovac and Vladimir Meciar and Pavel Delinga, chairmen of the Movement for a Democratic Slovakia-Farmers' Party of Slovakia [HZDS-RSS]. We now present an assessment of this meeting given to Radiozurnal by presidential spokesman Anton Balaz.

[Begin Balaz recording] At the meeting with the HZDS and RSS chairmen, the president first congratulated Mr. Meciar on his election victory and explained the reasons for this meeting, the main purpose of which was to find out about the progress of coalition talks and about (?the course) of the National Council constituent session. At the same time, the president told Meciar of his decision to authorize him to form a government and to send this authorization to him later.

Mr. Meciar expressed gratitude for the congratulations on his election victory. He reported on the consultations regarding the formation of a government. As for the course of the National Council's constituent session, Meciar said there should be no problems, that the National Council session (?will take place) and that it will function normally.

Meciar said that all of the political parties have to cooperate with one another and that, because of the outcome of the election, achieving agreement is naturally difficult.

The HZDS has not assessed the outcome of the election yet, nor has it assessed the course of the coalition talks so far, Meciar said. This will be done at the HZDS National Executive session on 29 October. In this respect, he asked the president not to issue the authorization to form a government until after the HZDS National Executive has made a decision. The president said that, naturally, he does not want to take steps that will complicate the situation, that he will accept this and wait for the National Executive to assess HZDS actions.

Mr. Meciar replied that he will brief the president on 31 October. Pending his acceptance of the president's authorization, the president will give him the authorization in the same manner he was going to give it today. This will delay matters until 31 October. The president said that this is acceptable and that he does not want to complicate this process in any way. [end recording]

Meciar Interviewed on Government Formation

LD2810010194 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1730 GMT 27 Oct 94

[Interview with Vladimir Meciar, chairman of the Movement for a Democratic Slovakia, HZDS, by Nora Parikova, on 27 October; place not given—recorded]

[FBIS Translated Excerpt] [Announcer] The meeting between the Slovak president and Vladimir Meciar, the chairman of the victorious Movement for a Democratic Slovakia, that took place this afternoon was the first meeting between the two since February of this year. Following his talks with the president, Meciar gave his first postelection interviews. Nora Parikova interviewed him for Radiozurnal.

[Begin recording] [Parikova] What has the president entrusted you with?

[Meciar] We discussed the formation of a cabinet and clarified this issue. I informed the president that the HZDS leadership had not assessed the election results yet. We agreed that I would brief the president about the HZDS leadership's stance on 29 October. He told me that he was prepared to ask me afterwards, on Monday, to form a government. [passage omitted]

[Parikova] What members of the current government are you considering for the new government?

[Meciar] I cannot tell you whom I am considering because we still do not know who our partners are. [passage omitted]

[Unidentified correspondent] Is it possible for a government to be formed in two weeks?

[Meciar] This is unrealistic, totally unrealistic. [passage omitted]

[Correspondent] Mr. Meciar, which political entities should, in your view, form a government?

[Meciar] The choice is not very wide-ranging. Regarding partners in Slovakia, everyone prepared to face the risks of 1995 should be considered.

[Correspondent] Can a minority government with the tacit support of another political entity—I am speaking about the HZDS coalition with the Slovak National Party [SNS], with the tacit support of the Workers [Association of Workers of Slovakia—ZRS]—function?

[Meciar] Such a minority government cannot function. With all respect to the Workers, it is clear that, given their program orientation, they must oppose every social law and the state budget and would be unable to support a government in such critical moments.

Either the government will have a majority and will have a chance to survive 1995 or not. After that, 1996, 1997, and 1998 will be OK.

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The HZDS political leadership has to decide whether we should be in such a government, taking such a risk. This is not only our state; we hold two-fifths of the responsibility for it. But three-fifths of the responsibility is held by our partners, and they have to face their share of responsibility, as well. [passage omitted]

[Parikova] What do you recommend to Mr. Gasparovic regarding the deputies [passage indistinct]?

[Meciar] [passage omitted] As far as the question of who we will propose for the post of parliament speaker, this will be decided by the Movement's leadership on Saturday. My secret—in fact, open guess—is that this will again be Ivan Gasparovic. [passage omitted]

[Parikova] What are the main principles on which you want to base your future government?

[Meciar] I do not know whether this will be my government. If the HZDS is to participate in the government, the government should be such as to have a chance to survive and help our state to get out of the situation our citizens have found themselves in, not of their own fault.

If this chance is not there, should I risk my fall for the third time? What would you advise me?

[passage omitted]

[Parikova] [question indistinct]

[Meciar] Having won the election, the HZDS has the moral duty to be in the government. It is not possible to form a government without us. However, at the same time, we have only 61 mandates. This is similar to having to do something with one of your hands tied.

[Parikova] [question indistinct]

[Meciar] We want to help, but, to do so, we need to find partners. We are not the only ones who bear the responsibility because 89 mandates are held by others, not us.

If they are so well prepared to meet each other halfway and are capable of reaching a consensus, and if they will be better, we will accept that. [end recording]

Parties on Meciar's Approval To Form Government

LD2810111994 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 0600 GMT 28 Oct 94

[FBIS Translated Text] Representatives of political parties have reacted to President Michal Kovac's decision to entrust Vladimir Meciar, chairman of the Movement for a Democratic Slovakia [HZDS], with the task of forming a government.

The statement by the Party of the Democratic Left stresses that this decision is in line with the election result and that it is up to the HZDS to create political conditions to form a government that will win sufficient support in parliament to fulfill the Movement's election promises.

Christian Democratic Movement [KDH] Chairman Jan Carnogursky expressed agreement with the president's decision. He added, however, that, in the KDH's view, Meciar is afraid to form a government.

The Democratic Union and the public expect Meciar to produce a constructive proposal on the formation of a coalition government that will win a decisive majority in the parliament, Democratic Union Deputy Chairman Milan Knazko said.

Economy Head Prepared To Be in New Government

LD2710221194 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1600 GMT 27 Oct 94

[FBIS Translated Text] In an interview for TASR, Peter Magvasi, minister of economy and an independent deputy to the new parliament, who was on the Joint Choice's ballot list in the election, did not rule out his participation in the HZDS [Movement for a Democratic Slovakia] government if it is offered to him. This was his reaction to reports that he is one of three current cabinet ministers for the Party of the Democratic Left [SDL] in favor of the idea of a coalition with the HZDS. He said that, if the new government's program is identical to a program of which he approves, he would be willing to work in that cabinet, even if the SDL did not join the coalition.

Kovac Talks With Joint Choice Coalition

LD2710182394 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1400 GMT 27 Oct 94

[FBIS Translated Text] Slovak President Michal Kovac met the representatives of the Joint Choice coalition today, as the first in a series of talks with all parliamentary parties and coalitions.

Pavol Kanis, deputy chairman of the Party of the Democratic Left, told journalists after the meeting that the Slovak Cabinet would resign in accordance with the Constitution, probably after the opening session of parliament. He also said that Joint Choice reiterated at the meeting with Kovac that Slovakia needs a stable president as well as a stable presidency for positive development of its political life.

Kovac also received representatives of the Christian Democratic Movement [KDH], who confirmed their decision not to continue in coalition talks. According to KDH Chairman Jan Carnogursky, the KDH will consider the Slovak Parliament's opening session as unconstitutional if 150 deputies are not present.

Jan Luptak, chairman of the Slovak Workers Association, emphasized after the talks with the president of the Republic that the topic of the talk was not the results of the talks thus far with the Movement for a Democratic Slovakia. He confirmed that the ZRS had not changed its decision not to join the government.

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After talks with the president, Coexistence Chairman Miklos Duray especially praised the fact that Kovac spoke with them about important issues with regard to forming a new government. When asked by TASR whether the attitude of the other parties to the participation of the Hungarian coalition in the Cabinet had not changed, Duray said that so far this was not topical because none of the parties represented in the current government had yet confirmed its participation in the new Cabinet.

Vladimir Meciar and Pavel Delinda, chairmen of the Movement for a Democratic Slovakia and the Farmers' Party, also accepted President Michal Kovac's invitation.

Christian Democrats To End Coalition Talks

LD2710151894 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1100 GMT 27 Oct 94

[FBIS Translated Text] Slovak President Kovac has started a series of talks with all parliamentary parties and coalitions; he has already talked with Joint Choice. Pavol Kanis, deputy chairman of the Party of Democratic Left, said after the meeting that the government would probably resign only after the inaugural meeting of the parliament.

Jan Carnogursky, chairman of the Christian Democratic Movement, said after the meeting with the president that the movement confirmed a decision not to continue in coalition talks.

KDH Resolved To Leave Parliament Session

LD2810001694 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1730 GMT 27 Oct 94

[FBIS Translated Excerpt] The issue much discussed and speculated about today was whether the deputies for the parties of the current government coalition will attend a parliament session if the substitute deputies are not invited to attend the constituent session of the National Council to replace the members of the Moravcik cabinet. [passage omitted]

This evening, Jan Carnogursky, the chairman of the Christian Democratic Movement [KDH], granted us an interview on this subject. [passage omitted]

[Begin recording] [Carnogursky] We have agreed that the constitutional character of the session of the National Council will be secured only if all 150 deputies, who were elected in accordance with the law, are given the right to participate in voting at the session. [passage omitted]

If this is not possible, we have agreed that the KDH deputies will not support such an unconstitutional session of the National Council by being present at the session and, consequently, would leave the National Council chamber.

[Unidentified correspondent] Who has become the chairman of the KDH deputies' group? Is it again Frantisek Miklosko?

[Carnogursky] Yes, we have elected the chairman of our parliamentary group, and it is Frantisek Miklosko again. [end recording]

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Minister Assesses Government's First 100 Days

AU2710191494 Budapest NEPSZABADSAG in Hungarian 25 Oct 94 p 7

[Interview with Interior Minister Gabor Kuncze by unidentified correspondent; place and date not given: "Questions to the Ministers"]

[FBIS Translated Text] [NEPSZABADSAG] What have you achieved in the past 100 days, and what experiences have you gained?

[Kuncze] During the election campaign, I often said that the Alliance of Free Democrats [SZDSZ] would not ask for a respite of 100 days if it got into power. I have kept my promise and in the course of the past 100 days, have simultaneously learned about the often tense problems within the Interior Ministry's jurisdiction. We have worked out the practice of joint government, and we have also made changes to the package of laws affecting local government bodies. Before the elections, I promised a cheaper administration, clean public life, and honest work carried out in good faith and with a good heart. I am standing by these promises. In any case, I did not accept the position of interior minister and member of the government out of a desire for adventure. I am trying to carry out tasks, and this means varied activity.

[NEPSZABADSAG] What have you failed to achieve?

[Kuncze] Once I commit myself to something, I do not lose my enthusiasm, since I accept failure to achieve something only with great difficulty.

[NEPSZABADSAG] How much have you changed your staff, how many people have been replaced, and do you plan any reduction in personnel?

[Kuncze] Political changes cannot upset the state's administrative apparatus except in cases of total incompetence. But changes have occurred at the level of state secretaries for public administration and legal administration in the Interior Ministry. Imre Verebelyi has been promoted to government commissioner responsible for developing public administration, and has been replaced by Istvan Zsuffa, the former state secretary for legal administration. Mrs. Robert Baraczka came to us from the Legal Department of the Defense Ministry. The Office for Refugee Affairs also has a new head. Further personnel and administrative changes will take place in areas where more efficient activity requires it.

HDUR Chairman Discusses Minority Issues

LD2710145794 Budapest Kossuth Radio Network in Hungarian 1930 GMT 26 Oct 94

[FBIS Translated Excerpt] First of all, I call your attention to our interview with Laszlo Tokes [Transylvanian bishop and honorary chairman of the Hungarian Democratic Union of Romania, HDUR]. The interview was recorded after the Transylvanian bishop met with Hungarian Prime Minister Gyula Horn and President Arpad Goncz in Budapest at the beginning of this week. Janos Moszkovics questioned Laszlo Tokes following his meeting with Horn.

[Begin recording] [Tokes] [Passage omitted] It is our genuine intention to reconcile [with Romania]—as it is everyone's. However, reconciliation can only be achieved if it is well-founded, on the basis of real results and not under pressure from the West.

[Maszkovics] Has Gyula Horn given you assurances on this matter?

[Tokes] To be specific, Gyula Horn himself cannot imagine a basic treaty that would fundamentally contradict the HDUR's opinion or the basic interests of the Hungarian community of Transylvania.

[Moszkovics] Disregarding the fact that Hungary has expressed the idea of reconciliation with the Romanians, Romanian President Ion Iliescu has said on several occasions that Hungarians in Transylvania have too many rights that exceed any European norms and all world minority norms.

[Tokes] Gyula Horn has no illusions—to quote his phrase. And I believe this. [passage omitted] However, the Horn government is right in that it demonstrates maximum readiness for agreement and reconciliation. To be honest, we have feared that reconciliation at any price and an attempt to meet the requirements of Western governments might become an end in itself, in the new government's program. But Horn assured me that this was out of the question and that a basic treaty could only be concluded under certain conditions. I won't outline the details of these conditions because these are well known. [passage omitted]

President Arpad Goncz, who also received me this afternoon, was right to say that in realistic politics something has to be given in order for something to be obtained. [passage omitted]

[Moszkovics] What is the situation with the Romanian education law?

[Tokes] As far as I know, the Romanian authorities are showing a kind of verbal inclination to compromise and seem to be dealing with the matter again. However, I am not aware of any kind of results or steps forward in this respect. Let us see, if not the end, at least what comes next. [passage omitted]

[Moszkovics] What is your opinion about a Hungarian consulate to be opened in Timisoara [Temesvar]?

[Tokes] The worst possible. It could not fulfill its function. [passage omitted] The distance is so great between areas with Hungarian- majority populations that it would not resolve anything. We should not give up the demand to have a consulate in Cluj-Napoca [Kolozsvar]—on principle, if for no other reason. Foreign Minister Melescanu's excuse that there is ethnic tension in Cluj-Napoca is ridiculous. There is ethnic tension where

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it is allowed by the authorities: in Tirgu Mures [Marosvasarhely]; in Cluj-Napocan; and, if necessary, the day after tomorrow tension will be created in Timisoara as well. That is to say, no concession is justified in this case. I can only imagine that if they do not want to establish a consulate in Cluj-Napoca, let us establish three: one in Miercurea-Ciuc [Csikszereda], one in Tirgu Mures, and one in Oradea [Nagyvarad]. [passage omitted] [end recording]

Expert Says Armed Forces Need Reorganization

AU2710160594 Budapest MAGYAR NEMZET in Hungarian 25 Oct 94 p 6

[Unattributed report on interview with military expert Gyorgy Szentesi; place and date not given: "A Change in Approach Is Needed"]

[FBIS Translated Text] Only the more spectacular part of the reorganization of the Hungarian Army can be concluded by the end of next year. However, if this reorganization is carried out on the basis of really well-founded concepts, this process will last eight to 10 years, including the Army equipment, military expert Gyorgy Szentesi told us. Szentesi gave us an interview on the expected reorganization of the Hungarian Army and his own ideas.

Szentesi told us that, in addition to merging the military districts, eliminating various headquarters, and reducing personnel, other comprehensive steps are needed, such as the elimination of the air-defense concept inherited from the Warsaw Pact. The so-called domestic air defense was originally created to defend major sites in case of an offensive war, when land troops leave the country. According to the current defense doctrine however, the Army must defend land and air borders, rather than sites. Defending the airspace is the task of the combat air force, coupled with air-defense and reconnaissance systems.

"Therefore, we should get rid of the useless, large, missile systems and units that defend Budapest, because a possible aggressor must not be able to reach the capital," Szentesi pointed out.

Szentesi also pointed out that the available aircraft should be replaced in the next eight to 10 years and a new multi-funcational aircraft deployed, instead of the current four types. We should also get rid of some of the land troops' air defense missiles, because some of these systems are more than 30 years old. Instead, the Hungarian Army should purchase a modern and mobile missile system that can even fire while moving. The creation of a uniform airspace-control and flight-control system would also be part of the reorganization reorganization, a system coupled with adequate air defense and reconnaissance troop units.

According to Szentesi, the Danube navy should also be eliminated because, say the experts, it has lost its function. According to the Warsaw Pact doctrine, this navy was also supposed to play an offensive role. In response to our praise of the role our ships play along our southern borders, Szentesi said the Danube can be closed with two trailers, and there is no danger of anyone mining the river.

Szentesi also called for a radical reorganization of the Hungarian officer-training system. It is astonishing that a small country like Hungary has three officer-training colleges and one university-type officer-training institution. All these institutions should be replaced by one multi-level officer-training institution that would also take care of retraining tasks. For this, we need yet another change in approach: The current four-year officer-training period could be replaced with a 1.5-year training period if, as in the West, college graduates entered our institutions with adequate preliminary training. Szentesi also called the current 3-year military academy system useless. In his view, a period of 6 to 8 months would suffice if the officers are only retrained for tasks they are supposed to be carrying out.

In conclusion, among the things to be eliminated, Szentesi also mentioned the Hungarian Army hotels; the cars used exclusively for ministerial visits—something for which rental cars are used in the West; and several exclusive small spas belonging to the Hungarian Army, such as those in Lovasbereny and Annavolgy.

"Although these things might seem trivial, the funds obtained through this could be put to better use elsewhere," said Szentesi in conclusion.

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Reaction to Foreign Minister's Resignation

Walesa Regretful

LD2810142794 Warsaw Radio Warszawa Network in Polish 1300 GMT 28 Oct 94

[FBIS Translated Text] Presidential spokesman Leszek Spalinski told Polish Radio this morning that Lech Walesa regrets that Foreign Minister Andrzej Olechowski resigned, but he sympathizes with his moral attitude. According to Leszek Spalinski, the president thinks that Minister Olechowski should not leave his office.

Prime Minister Surprised

LD2710175094 Warsaw Radio Warszawa Network in Polish 1700 GMT 27 Oct 94

[FBIS Translated Excerpt] Ewa Wachowicz, the prime minister's press secretary, has said that Prime Minister Waldemar Pawlak was not alone in having been surprised by the statement of the Minister of Foreign Affairs Andrzej Olechowski, announcing his resignation. Ewa Wachowicz said that the prime minister would not adopt a position as regards Olechowski's resignation until he received an official letter from the Polish foreign minister.

Asked to comment on Olechowski's statement that the prosecutor general had questioned his honesty with the knowledge of the prime minister, Wachowicz said that this was only Minister Olechowski's interpretation. [passage omitted]

Sejm Official Concerned

LD2710175894 Warsaw PAP in Polish 1431 GMT 27 Oct 94

[FBIS Translated Excerpt] Warsaw, 27 Oct—Bronislaw Geremek, chairman of the Sejm Foreign Affairs Commission, has said that Minister Olechowski's resignation is for Polish foreign policy a very disturbing fact.

He added that one of the most important and positive aspects of Poland's development from 1989 has been a continuation and stability in foreign policy. Olechowski continued a general outline of the foreign policy started by Minister Skubiszewski. [passage omitted]

Geremek stressed that he received Olechowski's resignation "with concern and regret." He added that Olechowski is "an outstanding politician and an honest man." He expressed his regret that an internal conflict that erupted between two ministers led to an internal crisis.

Asked what this will mean to the government coalition, Geremek said: "I have to conceal my satisfaction, but this is not a positive thing for the coalition."

SLD Head Against

LD2710172994 Warsaw PAP in Polish 1635 GMT 27 Oct 94

[FBIS Translated Excerpt] Warsaw, 27 Oct—Aleksander Kwasniewski, the leader of the Democratic Left Alliance [SLD] parliamentary floor group, told journalists on Thursday afternoon that he would tell the prime minister not to accept Minister Andrzej Olechowski's resignation. In connection with this issue, Kwasniewski thinks that one should not react emotionally. "I think that nothing should be rushed," he said. [passage omitted]

Coalition Divided

LD2710232194 Warsaw Third Program Radio Network in Polish 2300 GMT 27 Oct 94

[FBIS Translated Text] Foreign Minister Andrzej Olechowski's resignation was discussed tonight at a meeting of the ruling coalition leaders, including Prime Minister Waldemar Pawlak and Sejm Speaker Jozef Oleksy. Aleksander Kwasniewski, the leader of the Democratic Left Alliance [SLD], told journalists after the meeting that his group supported Andrzej Olechowski and that he himself asked Prime Minister Waldemar Pawlak not to accept the minister's resignation. At the same time, Kwasniewski hinted that the Polish Peasant Party [PSL] was for the resignation of Olechowski.

Conflict Over Foreign Ministry 'Never Ended'

WS2810114494 Warsaw ZYCIE WARSZAWY in Polish 28 Oct 94 p 4

[Article by Cezary Gmyz: "MSZ; Battle Over Ministry; Conflict Over Ministry Never Ended"]

[FBIS Translated Text] *Even though it has recently been eclipsed by the disputes over the police chief, the National Council of Radio and Television, and the Ministry of National Defense, the conflict over the Ministry of Foreign Affairs [MSZ] actually never ended. Since he assumed his post, Foreign Minister Andrzej Olechowski has kept arguing with his ministerial colleagues in the coalition of the Democratic Left Alliance [SLD] and the Polish Peasant Party. Prime Minister Pawlak has recently started to pursue his own foreign policy. In fact, only the assumption of the ministerial post by Andrzej Olechowski went smoothly. The coalition immediately started demanding that its own people be employed in the MSZ, primarily in deputy ministerial posts. President Walesa agreed to that only after a meeting with the SLD parliamentary club—at a time when the coalition was trying to limit his powers to appoint ministers.*

Political deputy ministers proposed by the coalition, however, were finally not employed in the MSZ because Olechowski determined this on the approval of a statute that would make it possible to carry out reform in the ministry. The minister submitted the draft statute to the government in May of this year. For five months, however, the Council of Ministers did not find the time

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to discuss and approve it. Finally, it decided to delegate the task of reforming the MSZ to Michal Strak, head of the Office of the Council of Ministers [URM].

Outraged by this decision, Olechowski withdrew the draft statute. He began implementing its provisions on his own, paying no heed to URM. He was doing this very quickly. This is when the rumors first appeared that the head of the diplomatic service was considering the possibility of tendering his resignation. At the same time, Olechowski presented Pawlak with a list of people whom he proposed as candidates for the highest posts in the ministry. The list included not coalition politicians but MSZ experts. For two entire months, however, Pawlak did not find the time to sign these nominations.

It is also no secret that Olechowski had problems with other nominations as well. The prime minister on several occasions refused to approve of candidates for ambassadors proposed by the MSZ.

All along, the minister also had to cope with the Sejm subcommittee for evaluating the MSZ cadres. The subcommittee was primarily interested in employees with Solidarity background. Its work eventually ended in a scandal caused by the "libelous supplement," which the subcommittee added to the report on its work.

The last problem of the minister was attempts by some politicians to carry out their own foreign policy. These politicians were Prime Minister Pawlak, URM Head Michal Strak, and Senate Speaker Adam Struzik. They organized foreign visits and did not previously consult with the MSZ about them.

Party, Church Comment on Walesa Address to Nation

WS2810111694 Warsaw GAZETA WYBORCZA in Polish 28 Oct 94 p 2

[Article by "(dom, wz, JP)" on reaction to Polish President Lech Walesa's televised address to the nation on 27 October: "Opinions on Walesa's Address"]

[FBIS Translated Text]

Jan Maria Rokita (Freedom Union):

In the address, there was not any announcement of a political initiative. There was only an evaluation of the condition of the state, with which, incidentally, I agree. Lech Walesa tried to distance himself from all of the parties to political disputes. He forgot, however, that he himself was frequently party to those conflicts.

Controversial is also the concept that the condition of the state will rapidly improve if we introduce the presidential system in our country.

Janusz Piechocinski (Polish Peasant Party):

Lech Walesa has turned full circle. He is again in the middle of an election campaign. He repeats exactly the same arguments he submitted four years ago. Everyone except himself is responsible for all of our troubles. He hints that for all those years he has been defenseless. This is typical election rhetoric. Everyone heard some promises—the Army, the health service, the peasants... This is understandable. What I do consider dangerous, however, is the attack on the future constitution.

Kazimierz Michal Ujazdowski (Covenant for Poland):

Lech Walesa depicted Poland as a country suffering from a disease. The thing is, he is the one who is largely responsible for this disease, and the remedy he is prescribing is wrong. It boils down to giving all powers to the president—that is, to Lech Walesa. I do not think this would change much.

The helm of the state would be handed over to incompetent authorities. Anyone who is watching Walesa's activities cannot have any doubt about that.

Father Henryk Jankowski:

This was the best speech by the president since the election. I hope it will be a true national program. One must draw conclusions from what is happening now. Sometimes you can stroke someone to death with democracy.

The president may have made some mistakes. Despite all of the harm he has caused, he deserves to be helped and served.

Spokesman: Walesa Not Only One Campaigning

LD2810101694 Warsaw Radio Warszawa Network in Polish 0900 GMT 28 Oct 94

[FBIS Translated Text] In an interview for Polish radio, presidential spokesman Leszek Spalinski has rejected accusations that Lech Walesa is the only politician to be conducting an election campaign. He stressed that only the president has enough courage to say openly what is required to make Poland work efficiently. Leszek Spalinski also said that Lech Walesa clearly asked citizens to vote for changes and for a strong Poland in the future constitutional referendum.

In yesterday's address, President Lech Walesa spoke in favor of the presidential system in Poland that would form clear principles of ruling the country and would ensure that politicians take responsibility for their decisions. The president said he will run for a second term as president only if the new constitution gives a future president greater powers than before.

Status of Food Imports, Exports Discussed

MM2810093194 Wroclaw GAZETA ROBOTNICZA in Polish 18 Oct 94 p 7

[Interview with Sejm Deputy Ryszard Smolarek, secretary of state at the Ministry of Agriculture and Food Economy, by correspondent Szczepan Lawniczak; place and date not given]

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[FBIS Translated Text] [Lawniczak] Over the past few months, food exports became yet again a political subject in Poland. It was a political subject at least once before, a dozen or so years ago, because we were exporting food while there was not enough of it on the domestic market. Today there is plenty of food in Poland, at least for those who are wealthier than others.

[Smolarek] During the past four years, agricultural production in Poland was highly unstable. We had two seasons of very bad drought: two years ago and this year. This resulted in considerable fluctuations in exports and imports. In addition, the total share of agricultural products in our 1993 foreign trade turnover was 11.9 percent. This represents almost one-half of corresponding proportions in such countries as Denmark, Greece, and Ireland.

Agricultural exports have doubled in relation to the average figures recorded in the 1980's. Unfortunately, our credit balance went on increasing—to $1 billion—only as far as 1990, only to drop to zero in 1992 and then turn into a deficit of $600 million in a negative balance of payments last year. However, for the first eight months of this year, we already recorded a credit balance of $300 million in food exports.

[Lawniczak] The European Union [EU] countries remain the main destination of our exports, do they not?

[Smolarek] Despite many restrictions, they still represent a highly receptive market, and that is why those countries are Poland's largest trading partners. Last year, their share in both our exports and imports came to 58 percent. On the other hand, we record 3 percent of exports and 9 percent of imports between Poland and the United States.

[Lawniczak] People are generally pleased with the imported food, are they not?

[Smolarek] Indeed they are, and that is not only because of the attractive packaging: The large imports of foodstuffs found favor with our consumers because they meant a wider choice of foodstuffs sold in the market. They also forced our own food-processing industry to make more effort in the sphere of food-production technology. This is particularly noticeable in the dairy products market. However, food imports also exerted a negative influence on our agricultural production, and this resulted in a lowering of the living standards in the rural agricultural sector. After all, we have some 5 million farmers, and that is without counting their families. Let me spell it out: Our agriculture and food-processing industry will for many years to come suffer the impact of the fact that we opened our agricultural markets far too widely. These experiences must now serve as a stimulus for initiating rational changes in our agriculture, our food-processing industry, our customs and excise policies, and our ties to the outside world.

[Lawniczak] According to what many experts say, the West did not at all expect us to open up our markets to the extent we did.

[Smolarek] The uncontrolled opening of our markets to foreign markets, which was something the West indeed neither expected nor wanted, and that took place without our setting up any protective mechanisms to shield our domestic production, led to the emergence of paradoxical situations. Poland, which was the world's largest potato producer, actually imported potatoes last year. We lost the bacon market, and also the ham market in America, to which we used to supply more than 40,000 tonnes of these products a year. We actually began importing poultry, of which we now buy some 80,000 tonnes a year, as a result of which almost one-half of our domestic poultry farms have gone under.

[Lawniczak] There were also other reasons for this deluge of food products coming from the outside.

[Smolarek] In the case of beef production, the reason for the sudden drop in our exports was a drastic decrease in the numbers of cows and beef calves bred and raised in our country as a result of the falling milk prices and the uncontrolled and uncontrollable transformations in the large farm production sector, where the beef calf farms were traditionally located. In addition, we were also confronted with the restrictions introduced by the EU under the pretext of protecting their markets from foot-and-mouth disease. Our stocks of sheep have also fallen drastically. As a result, there is now the real fear that, even though we have the chance of obtaining very high prices for our lambs in the EU market, we will not be able to take advantage of selling even our allocated quotas. Farmers were also persuaded to discontinue sheep production because of the very low prices they were getting for the wool and the total collapse of the domestic mutton market.

The good news for the future is that the export levels in the dairy and sugar-manufacturing industries have been maintained within the figures recorded for the past few years. In addition, fruit and vegetable exports are increasing, as are exports of such processed agricultural products as concentrated apple juice. However, we have already heard opinions that the export of this particular product has been responsible for lowering prices in the EU market and that there is pressure on the Union's Agricultural Commission to apply relevant protection clauses.

[Lawniczak] Are the fears that our agricultural products create competition for EU farmers justified?

[Smolarek] Such fears do, of course, arise, and they are indeed justified. Let me give you an example from just one particular group of agricultural products. Thanks to our advantageous climatic and soil conditions, as well as the agricultural technology, Polish fruit and vegetables compete successfully in world markets with their foreign counterparts. The best-known examples here are strawberries and raspberries. The increase in our export capacities caused a significant decline of the prices of certain fruit—for example, morello cherries and red currants—in EU markets. As a result, market protection

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mechanisms were activated according to the provisions of the joint instructions on the common market for fruit and vegetables, and these blocked Polish exports to the EU countries. We are also aware of the possibility that similar measures might prevent the exports of Polish frozen fruit and vegetable products to the EU zonewithin the next few weeks, just as was done in previous years. We have already begun to sound out the situation in that respect.

[Lawniczak] Thank you for talking with us.

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PD's Severin Views Relations With Moldova

AU2710130594 Bucharest AZI in Romanian 22 Oct 94 p 5

[Interview with Democratic Party Vice President Andrei Severin upon his return to Bucharest from a visit to the Republic of Moldova, by Carmen Buse; date not given: "Let Us Show Understanding"]

[FBIS Translated Excerpt] [Buse] The striking thing is that, whenever one talks about the Republic of Moldova, even though it is an independent state, the context of the discussion is either the former Soviet empire or, as is only natural, Romania. What is your opinion on this, after your recent visit to Chisinau?

[Severin] The visit by our delegation was an excellent opportunity to better understand the realities of that country, which is situated on a territory that has been so greatly disputed in the course of history. As far as I am concerned—I said it there and I repeat it here—I went to Chisinau not to pass any kind of judgment but to understand; not to divide but to unite; and not to pull people further apart but to draw them closer to each other. I am stating this because, unfortunately, the territories between the Prut and Dniester Rivers, which belonged to Romania, are the subject of often-farfetched propaganda and of mainly regrettable political speculations. History is clear and attests that Romania has incontestable rights and obligations in this respect. Unfortunately, right after December 1989, certain political parties from Romania went to Moldova to organize political life over there according to their beliefs and interests. In my opinion, this endeavor has had disastrous effects. At a time when those over there should have raised the issue of national rebirth and, on this basis, of the unification of all progressive forces, the "ferment" that came from this side of the Prut River has led to disunity, convulsions, and confrontation among those who should have worked together. Some are turning the issue of Bessarabia into a subject of electoral or political struggle, which, practically, leads to the estrangement of the Moldovans from the Romanians and present-day Romania. [passage omitted]

It is not just this demagoguery that is moving the Moldovans further away from us. There is also the claim of some of our compatriots to pass judgment and turn themselves into arbiters of what is happening over there. But we should realize that, despite the fact that the Romanian language is known, spoken, and understood by most of Moldova's population, an extraordinary process of Russification has taken place, and is still present, there. One must realize that perhaps one of the most terrible of policies of Russification and denationalization has been conducted over there. [passage omitted]

In the same way, one must be aware of the ensemble of post-empire problems specific to a country such as Moldova—namely the fact that 35 percent of the population consists of various minorities. From the viewpoint of declared ethnic groups, they number approximately 22, with the largest ones amounting to 15-16 percent. What characterizes this 35 percent is their homogeneity, obtained through Russification and through the adjustment to the structures of the old Russian empire. That is why, although you meet Gagauz, Ukrainians, Russians, Jews, Bulgarians, Poles, Estonians, Lithuanians, Greeks, and so forth, all of them had been either deported, moved, pushed, or sent to Moldova, during which process they became homogeneous and developed certain habits, habits that make them more comfortable with the old structures—more so than the natives. Therefore, the minorities are somewhat worried about their future, a situation that can and is being exploited by the Russian forces that dream of rebuilding the empire.

[Buse] There is increasing talk about the economic reintegration of the Republic of Moldova into Russia's sphere of influence. What is the possible and future impact of such a process?

[Severin] It is obvious that integration actually means the dependency of an economy capable of supplying raw materials. But, an economy that is, on the one hand, sick and, on the other hand, capable of resorting to economic or financial blackmail in manipulating these raw materials—by also using its still considerable international political influence—practically wipes out any advantage those entering into such an integration scheme can hope for. [passage omitted]

We are duty-bound to support the national rebirth and reawakening in the Republic of Moldova through all possible means. Only by spiritualizing the Prut border between us, by promoting economic integration, and by creating economic facilities, will Moldova's opening toward Romania become much more attractive than the opening toward Russia. [passage omitted]

[Buse] Let us return to the issue of the minorities in the Republic of Moldova and to what you called their fear of the future, which might be a future other than a future alongside Russia.

[Severin] Yes, I was told there that Moldova and Romania have united several times during history, but that each time the unification was primarily the "work" of the leaders of their societies. In other words, it was achieved from the top down, obviously on the basis of a key objective element—namely the common language, history, culture, religion, and traditions; that is, on the basis of the ethnic-national community. Many Moldovans are saying today: Let us try to unite from the bottom up this time! Of course, that would be ideal. I believe more in such a unification, one that comes from the "roots," than in a unification that comes from the top branches of the national tree.

[Buse] Given these conditions, what is the position of the Democratic Party [PD]?

[Severin] We have often said that no politician can allow himself to ever forget that Romanian territories have

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been torn away from the country's body, and that this act was achieved by force and diktat. The invalidity of this act, which results from the violence with which it was imposed, implies a return to the situation extant before that act. In other words, no Romanian politician can renounce a right that our country has. On the other hand, our party also emphasized that such an approach requires wise, realistic, and responsible action, which also presupposes discretion, subtlety, and tolerance. We must not "yell" our claims every day, nor should we spend every day searching through the wounds of history. Regardless of how strong our rights may be, we should not try to assert them hysterically. We must give proof of understanding, love for the country, and love for our brothers who have had to suffer so much.

To eventually achieve our goal, we must work primarily to achieve this unity in the interest of our countries and to reawaken authentic and positive national sentiments both in Moldova and Romania. [passage omitted]

[Buse] What is your opinion of the statement by Nikolay Andronik, vice president of the Moldovan Parliament, who said that if unification noises continue to come from Romania, he will deploy CIS troops on the Romanian-Moldovan border and will organize a referendum that will "remove any hope of unification."

[Severin] It is obvious that there are people in Moldova who are unaware of both historical truth and the consequences of a certain kind of political act, which may occur now. That is why we, the PD, have always said that, in our approach to the issue of Moldova, we must blend three elements: patriotism, realism, and responsibility. Bellicose attitudes in this connection can lead only to such reactions, which do not necessarily have to come from within Moldova itself but can also be imposed upon it from afar, by other, more "Eastern" countries, which undoubtedly will also resort to the economic and military blackmail of Moldova. We must not forget that a part of Moldova's territory, namely Dniester, is occupied by Russian troops. There are secessionist political forces active in Dniester, as well as in other areas. Therefore, it is absolutely necessary that, when we talk about the ideal of national reunification—which is legitimate and can never be denied—we should not let it be understood that we wish to impose this ideal by force. The reaction to such a thing could be extremely serious, particularly at the level of the man in the street, who may imagine that Moldova is in danger of coming under another occupation: a Romanian one this time. [passage omitted]

Planned PD(FSN) Party Mergers Announced

AU2710151694 Bucharest CURIERUL NATIONAL in Romanian 24 Oct 94 p 3

[Report by Ortansa Teodor: "The Democratic Party Intends To Merge With the Traditional Social Democratic Party and the Social Democratic Unity Party"]

[FBIS Translated Text] At its recent national convention [21-22 October] the Democratic Party (National Salvation Front) [PD(FSN)] approved by a majority of the votes the merger, by absorption, with the Democratic Party of Labor [PDM]. PDM President George Serban said that the "important significance of the move resides not in the quantitative contribution by the party but in the fact that it marks a start." The PD(FSN) plans two further mergers: one with the Traditional Social Democratic Party [PSDT], which PD(FSN) sources consider almost certain; another, less certain, with the Social Democratic Unity Party [PUSD].

Ciorbea Says Government 'Manipulated' Unions

AU2710130494 Bucharest ROMANIA LIBERA in Romanian 19 Oct 94 p 1

[Article by Cristian I. Ionescu: "The Trade Unions Were Manipulated by the Government"]

[FBIS Translated Text] Mr. Victor Ciorbea has broken the long-standing silence surrounding the true reasons leading to the split in the trade union movement in Romania. In an open letter, the resigning leader of the National Confederation of Free Trade Unions of Romania (CNSRL)-Fratia reveals how, as far back as 1990, the government placed its trusted men in the leadership structures of trade union organizations, and how the government used the old party activists and the experts and collaborators of the Romanian secret services to subordinate the trade union movement in Romania.

The Securitate people and the activists even managed to infiltrate the international trade union movement. Victor Ciorbea was permitted to lead, so he could be used as a screen, since he was clean. Sensing the game in which he was being trapped, Victor Ciorbea managed to eschew it by introducing Point 8 of the Timisoara Proclamation [which forbids former prominent Communist Party activists to hold high official positions] in the organization's statutes and removing more than 500 party activists from the trade union structures. Ciorbea's letter shows the way the authorities have manipulated the trade unions and the way the various trade union rallies were organized in accordance with well-prepared scenarios, so as to preserve their so-called opposition nature.

Miron Mitrea's [co-president of CNSRL-Fratia] people have always fallen in with the government's game. Those who were in their way were either bought off with various ministerial posts or simply eliminated. All attempts to silence and corrupt Victor Ciorbea remained unsuccessful. He did not hesitate to reveal Mitrea's unclean affairs, the maneuvering of trade union funds, the existence of double accounts, and the infiltration of Securitate people and of the members of Mafia-like organizations into the trade union structures. Faithful to his moral principles, Ciorbea decided to set up a new trade union organization, truly independent from the government, situated in the opposition so as to really represent the interests of its members.

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Reportage on Continuing Regional Fighting

Bihac Situation Outlined

AU2710131494

[FBIS Editorial Report] Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian at 1100 GMT on 27 October carries several reports on the fighting in the republic.

Muhamed Mulic reports from Bihac that "within the past three days, fighters of the 5th Corps of the Army of the Republic of Bosnia-Herzegovina have made a real accomplishment: more than 150 square km of, until recently, occupied territories have been liberated. After some fierce battles on the left bank of the Una River, in the direction of Donji Lapac, the 5th Corps joint units reached the border with neighboring Croatia. Golubic, (Loholska) Hills, Jelaca Greda, Dobrenica, and Lohovo were liberated in this attack, and control was taken over the tunnel on the road toward Lapac where the state border of Bosnia-Herzegovina is.

"On the right bank of the Una River, near the ill-famed Grabez, General Atif Dudakovic's brave fighters liberated the tributary Rifat River, [name indistinct], and (Gorivac), on one side, and Grmusa, Drenovo Tijesno, and (Radic) from the Chetniks, thereby coming close to Bosanska Krupa."

A studio announcer reads a report sent by Mirudin Aldobasic from the Information Center of the 7-South Operations Group that "the fighters of the (?204th) Glorious Motorized Brigade Doboj-Bosna belonging to the 7-South Operations Group carried out a strong counterattack whereby they pushed the aggressor back to its previous positions at the (?Doboj) battlefield and destroyed two tanks and damaged three. Since the beginning of the war, 90 enemy tanks have been destroyed in this region."

A correspondent whose name is indistinct reports that "yesterday at about 1700 [1600], the chetniks positioned at (?Jabucko) Saddle, on several occasions launched 120-mm and 82-mm mortar bombs and hit the village of Grahovo, in the vicinity of the Gorazde town center. One civilian was wounded."

The studio announcer reads a report by the 1st Corps Information Service saying that "last evening, the enemy stepped up the shelling of residential areas and defense lines in the region of Sarajevo" and that he "used mortar bombs and rifle-launched grenades to shell Hrasno, [word indistinct], and (?Postanska) Street. Infantry fire was opened on the region of the Stup Hill and several grenades launched on Igman and the region of [name indistinct] from (Bojkovici)."

The studio announcer says that "today, in the theater of operations of the 4th Corps, the aggressor is acting most intensively acting with a tank and mortars on the region of Glavaticevo and with the same weapons [words indistinct]."

Further on, the announcer says that "last night, the aggressor attacked the defense lines on the free Zvornik territory with about 30 mortar bombs, the Information Service of the 206th Chivalrous Brigade Zvornik reports."

Kupres, Doboj Serbs Attacked

LD2710173394 Belgrade TANJUG in English 1639 GMT 27 Oct 94

[FBIS Transcribed Text] Kupres, Oct. 27 (TANJUG)—Bosnian Serb army sources said Muslim forces had launched several heavy attacks on Serb defense lines in the area of Kupres, 80 km west of Sarajevo, early on Thursday.

Bosnian Serb positions east of Kupres came under heavy mortar fire accompanied with infantry attempts to break through the Bosnian Serb defense lines, said the sources. They said two Bosnian Serb soldiers had been wounded, while the Bosnian Muslim Seventh Corps had suffered heavy losses in men and equipment, which had provoked many of the Muslim soldiers to desert their units.

The sources also said the Bosnian Serb defense lines on the Kupres frontline had not been changed and the Serb civilians who had fled the town were gradually returning home.

The command of the army of the republic of Serb Krajina said the Bosnian Muslim troops engaged in conflicts with the Bosnian Serbs near the western Bosnian town of Bihac had also attacked Krajina army positions. The Bosnian Serb army sources said Muslim troops continued to attack Bosnian Serb positions and villages around the Serb town of Doboj, 100 km north of Sarajevo.

The Bosnian Serb news agency SRNA said Muslim forces on Wednesday had launched heavy attacks in the area between the Herzegovina towns of Mostar and Konjic southwest of Sarajevo. The Bosnian Serbs had repelled these atttacks without any casualties on their side.

SRNA quoted the Bosnian Serb Herzegovina Corps command as saying in a statement that joint Bosnian Croat and regular Croatian Army units had resumed attacks on Bosnian Serb positions around Ljubinje and Trebinje, 50 and 80 km southeast of Mostar.

7th Corps Enters Sipovo

AU2710191194 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 27 Oct 94

[FBIS Translated Text] Nobody can stop the fighters of the 7th Corps. Bugojno municipality as well as Gornji Vakuf municipality have been completely liberated. Parts of Donji Vakuf and Kupres municipalities have been liberated too, all the way to the doorstep of Kupres. Reporting from the press center of the 7th Corps, Ramzija Mehic tells of our army's new successes:

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[Begin Mehic recording] The 7th Corps entered Sipovo municipality today. They have started liberating a municipality from which the last Muslim was expelled in [word indistinct] 1993 and where there are mass graves of Bosniaks. Beside liberating the territories, the Army has also triumphed over quantities of military hardware and destroyed a tank and several self-propelled anti-aircraft guns [praga]. Some chetniks were also captured, but the number of those who have left their bones behind in a foreign land is considerably greater.

In light of today's 7th Corps successes, the fighters and the commander are receiving numerous congratulations from the people of Kupres, Sipovo, Donji Vakuf, Travnik and other towns. The message is always the same: Your people are with you, best of luck until the final triumph. [end recording]

Further on Kupres Attack

LD2710134694 Belgrade TANJUG Domestic Service in Serbo-Croatian 1300 GMT 27 Oct 94

[FBIS Translated Excerpt] Kupres, Knin, Doboj, 27 Oct (TANJUG)—On several occasions early this morning units of the 7th Corps of the Muslim army carried out powerful attacks on Serb defense lines around Kupres, local Serb military sources have announced.

Serb positions in the region of Demirovac and Jarciste, east of Kupres, were exposed to the fiercest mortar attacks; the Muslims attempted infantry breakthroughs here.

In this fighting two soldiers of the Srpska republic army were slightly wounded while the 7th Corps of the so-called Army of Bosnia-Herzegovina suffered major losses in personnel and equipment, and this has led to increased desertion by Muslim soldiers, Serb military sources have said.

The same sources add that the Serb defense lines on the Kupres battlefield have not moved and that Serb refugees from Kupres are gradually returning. [passage omitted]

Overnight Serb Attacks

AU2810110094

[FBIS Editorial Report] Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian at 0900 GMT on 28 October carries within its regular 10-minute newscast several reports on the fighting in the republic.

A report by the 3d Corps Press Center read by an unidentified correspondent says that "yesterday, the chetniks attacked the 3d Corps defense lines with somewhat less intensity. On the Vozuca-Zavidovici battlefield, the chetniks attacked our lines with [word indistinct], recoilless guns, antiaircraft and infantry weapons. The chetniks were also carrying out some intensive engineering works, entrenching positions in which they plan to spend (?the winter). It seems that it is still not clear to them that this (?will not) [word indistinct]. [Words indistinct] of the Doboj region was exposed to indiscriminative shelling from tanks and howitzers, while there was no major Chetnik activity (?along the defense lines). The situation [words indistinct] at the [word indistinct]-Teslic section of the front, where chetniks were opening intensive fire from snipers and automatic rifles on our newly liberated positions."

A correspondent whose name is indistinct reports on the "bestial material destruction and attacks on our defense lines" that Kalesija was exposed to "yesterday and last night." "There was strong infantry fire on all defense lines, which was supported by anti-aircraft machine guns and guns, particularly from the stronghold at (Visovi)." Further on, the report says that "in the evening hours, 82-mm mortars were active from (Bulatovci) and [name indistinct] on the defense lines and the villages in the general regions of [name indistinct] and Memici."

Hamiz Deronjic reports from the Brcko Region saying that "last night, the Brcko battlefield was not without artillery attacks on the defense lines. Along with intensive activity from infantry weapons on all positions of the 108th Motorized Brigade, the chetniks shelled our positions at Vranovaca and the central section of the battlefield on several occasions and for a long time. Dozens of [words indistinct] and 82-mm mortar shells and rockets from portable launchers have not created much effect on our defense lines. Last night, the aggressor was very active with anti-aircraft weapons. Thus, the Chetniks acted from the direction of (Sumin Potok) on Djukici with an anti-aircraft machine gun, while the aggressors' anti-aircraft guns pounded Vranovaca from the directions of Cadjavac and the occupied part of Omerbegovaca. Our side responded adequately to the enemy attacks."

A correspondent whose name is indistinct reports on "attacks on the outskirts of the Lukavac Commune early last night. As usual, (?the attack) was totally unprovoked and begun at about 1830 [1730 GMT] when a 76-mm B-1 mountain gun fired four shells on [word indistinct] Turija." "Enraged by the efficient response of our fighters, the enemy fired mortars of all calibers, a 120-mm cannon, and a 37-mm anti-aircraft gun. With these, they launched several dozens of shells on Turija, Poljic, and (Durakovic). [Word indistinct] shells were launched from a 120-mm mortar alone. Considerable material damage was caused." "Serbian [word indistinct] also acted on the defense lines of the 117th Brigade with mortars of all calibers, recoilless guns, as well as antiaircraft machine-guns and antiaircraft guns."

A studio announcer says that "the Information Service of the 1st Corps announces that last evening the aggressor fired two rifle-propelled grenades from Grbavica at Vrbanja and one on the region of Izvori. The enemy fired anti-aircraft machine guns and guns at Zabrdje and Sokolje. He also fired intensively from an antiaircraft gun in the direction of the Igman Road."

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UNPROFOR Notes Fighting

AU2710160294 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1400 GMT 27 Oct 94

[FBIS Translated Text] Sarajevo headquarters of the UN Protection Forces [UNPROFOR] today confirmed that the Bosnia-Herzegovina Army in battles in the Bihac region liberated between 100 and 150 sq km of territory.

The 5th Corps of the Bosnia-Herzegovina Army has completely taken by surprise the Serbian aggressor, whose command structure has completely disintegrated, and they started to flee, leaving behind tanks, heavy artillery, mortars, and other weapons, the UNPROFOR representative in Sarajevo said.

The Bosnia-Herzegovina Army attacks are proceeding in two directions, said Lieutenant Colonel [words indistinct], UNPROFOR representative in Sarajevo. The first direction is toward Bosanska Krupa and the second toward [words indistinct].

UN military observers also reported fierce fighting between the Bosnia-Herzegovina Army and the Serbian aggressor on Bugojno-Kupres and Gradacac battlefields, however, they did not give any specific information about these battles, which are still under way.

Fierce artillery duels are underway near Gradacac, Doboj, and Brcko, Lieutenant Colonel [word indistinct] and added that in these battles, besides the Serbian aggressor and the Bosnia-Herzegovina, the Croatian Defense Council is also participating with its heavy weapons.

Army Gains Outlined

AU2810095894 Paris AFP in English 0926 GMT 28 Oct 94

[FBIS Transcribed Text] Sarajevo, Oct 28 (AFP)—Government forces have broken through Serb lines in central Bosnia and apparently gained ground, Bosnian and UN sources said here Friday.

News of the attack, which has been going on for several days, follows UN confirmation of a major government push in the west of the country where they broke out of their Bihac pocket and captured 100 to 150 square kilometers of territory. The Bosnian Government forces in Bihac now appeared to be consolidating their new positions to the south and southeast of Bihac town, a UN spokesman said here Friday.

On the central front, government forces have been attacking in the Kupres region. "We think they have gained some ground, but we don't know what exactly," a spokesman for the British UN battalion in Vitez said Friday. UN military observers have gone to investigate, he added.

A spokeswoman for the UN High Commissioner for Refugees in Zagreb said Thursday that 2,400 Serbs had fled fighting around Kupres, in the southwest of Bosnia-Herzegovina. Alemka Lisinski said government forces had shelled Kupres and that refugees had gone north to Sipovo where they had received first aid from the local Red Cross.

Bosnian General Rifat Bilajac has announced "an offensive to free Kupres" and has called for military support from Bosnian Croat forces, the HINA news agency reported. It was not immediately clear whether Croat HVO [Croatian Defense Council] forces, who are in theory allied to the Moslem-dominated government army, have joined the offensive. Bosnian media reported that government forces had "liberated" territories in the Kupres region.

Kupres is on a strategic axis on the north-south road leading from Serb-held northern Bosnia to the Croatian coast, whose hinterland is held by secessioninist Serbs.

Meanwhile, in London a Ministry of Defence spokesman said talks were under way to secure the release of four British soldiers and their female interpreter who were seized by the Serbs Tuesday inside Bosnian-held territory, north of Tomislavgrad. The five are members of the British liaison team in Bosnia.

A UNPROFOR [UN Protection Forces] spokesman said they were being detained in Kupres police station for unspecified reasons. The four British soldiers were reportedly involved in opening up new roads for UN humanitarian convoys.

Shelling of Central Brcko Front

AU2710155094 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1400 GMT 27 Oct 94

[Report by Hamiz Deronjic from Brcko]

[FBIS Translated Text] The chetniks carried out especially fierce mortar attacks supported by Browning guns, [word indistinct], and anti-aircraft guns from (?Suma Potok) at Djukici. However, the central part of Brcko's defense was subjected to the fiercest shelling of all. The enemy pounded our positions with mortars of all sizes, recoilless guns, [words indistinct], and howitzers from Razevi.

In the Vranovaca area, which was also shelled by the aggressor last night, the chetniks on two occasions, first at 1800 [words indistinct] 2200 tried to infiltrate a sabotage group.

Refugees Returning to Liberated Bihac Territories

AU2710192294 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 27 Oct 94

[Report by Muhamed Mujic]

[FBIS Translated Text] Although the enemy is trying to stop our units from breaking through by using all types of

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weapons, the 5th Corps is retaining the initiative and gradually advancing toward its set goals.

The expelled residents are slowly returning to their ancient homes on the liberated territories of the Bihac commune, especially to (?Ripac), Golubici, and Dobrinica. Several mass graves have been discovered in this area, with bodies of murdered Muslims who were killed at the beginning of the war in 1992 when the chetniks were taking young and old people into camps, and subsequently brutally murdered them.

Because of failures on the battlefield and the territories lost, the enemy shelled Bihac and its suburbs from Zeljezno Polje, in the UNPA [UN Protected Area] in the so-called Serbian Autonomous Region of Krajina.

ICRC: 4,000-5,000 Civilians Flee From Offensive

AU2710195194 Paris AFP in English 1858 GMT 27 Oct 94

[FBIS Transcribed Text] Sarajevo, Oct 27 (AFP)—Some 4,000 to 5,000 people have fled areas of western Bosnia in the wake of a Bosnian Government offensive which has rolled back Bosnian Serbs southeast of Bihac, an International Committee of the Red Cross (ICRC) spokeswoman said here Thursday evening.

Some refugees appeared to have left their homes in villages and small towns in an organised way, with local authorities sometimes assisting with transportation and some people taking the train to Knin, in Serb-held Croatia, according to Lisa Jones of the ICRC.

But others "only had 20 minutes to grab their things," according to UN High Commissioner for Refugees spokesman Peter Kessler. "Many looked shattered. They were so surprised at having to leave so quickly," Kessler said. Some left on foot, others in horse-carts or on tractors and trucks, he added.

Between 3,000 and 4,000 people had arrived in Bosanski Petrovac where they were being housed in public buildings, Jones said. The ICRC was delivering two tons of medicine to the local hospital to assist the war wounded, she added.

Reports suggested that while many women and children had been evacuated, some people, especially the elderly, had chosen to stay behind.

Some 300 to 400 more people had arrived by train in Knin, while others were staying in the vicinity of the Bosnia-Croatia border, Jones said. More than 700 others had arrived at a refugee centre in Drvar, south of Petrovac, coming from Ripac and Kulen Vakuf Thursday morning, she added.

Meanwhile, fighting appeared to have died down in the Bihac area Thursday, according to a Bangladeshi captain serving with UN forces there.

UN officials here suggested that government forces appeared to be consolidating positions they had seized, adding that poor weather might also have stopped their progress.

Serbs Threaten Retaliation Against Bihac Safe Area

LD2710190594 Belgrade TANJUG Domestic Service in Serbo-Croatian 1745 GMT 27 Oct 94

[FBIS Translated Text] Pale, 27 Oct (TANJUG)—The chief command of the Srpska republic army today informed UNPROFOR [UN Protection Forces] commands in Zagreb and Sarajevo that Muslim forces, backed by Blue Helmets from Bangladesh, have been launching strong artillery attacks from the protected Bihac area on Serbian defense lines, and warned of retaliation if the attacks do not stop.

The letter, sent by General Manojlo Milovanovic, Srpska republic army chief of the genral staff, to UNPROFOR head Yasushi Akashi and Gen.'s Bertrand de Lapresle and Michael Rose, the UNPROFOR commanders for former Yugoslavia and Bosnia, says that the attacks have caused tremendous damage and losses to the Serbian side. The letter further specifies that the attacks cause a particular threat to Serbian civilians in the villages of Pritoka and Ripac.

"This has been happening since the arrival of the Bangladeshi battalion, which has been arming the Muslims, gathering information for their benefit, and providing artillery support for their attacks," the letter states. "We are asking you to put pressure on the Muslim side as a matter of urgency in order to halt further Muslim offensive actions, especially against civilian settlements, and to ensure that the Muslims withdraw to the positions they held on 23 October this year."

"Failing this, we shall be forced to retaliate by attacking the area from which their attacks are launched," Gen. Milovanovic says in his letter.

B-H, Serb Delegations Hold Airport Talks

AU2710144994 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1300 GMT 27 Oct 94

[FBIS Translated Text] A meeting between the representatives of the authorities of Bosnia-Herzegovina and the Serbian aggressors' is being held at Sarajevo Airport today, it was reported at the UNPROFOR [UN Protection Forces] headquarters in Sarajevo today. The main topic is expected to be the opening of blue routes under [word indistinct]. The delegation of the Government of the Federation and Republic of Bosnia-Herzegovina will be headed by Minister Hasan Muratovic and the delegation of the Serb aggressors will be headed by criminal Momcilo Krajisnik, chairman of the parliament of the Serbian para-state.

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Temporary Cease-Fire Proposed

AU2710195294 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 27 Oct 94

[FBIS Translated Text] Highest-level talks between the legal Bosnia-Herzegovina authorities and the Serbian aggressor's side were held at Sarajevo airport today. The meeting was chaired by Sergio de Mello, chief of UN Protection Forces [UNPROFOR] Civilian Sector for the Former Yugoslavia. Our delegation was led by Hasan Muratovic, head of state UN Liaison Committee and minister without portfolio in the Bosnia-Herzegovina Government. They discussed a cease-fire on the Hrasnica-Pazarici and Vogosca-Pale roads.

De Mello insisted that an agreement be reached prior to his departure on a new duty. It was proposed to sign a cease-fire agreement for the abovementioned roads that would last for 72 hours, starting tomorrow, which, if it proves to be effective, would be transformed into a lasting cease-fire.

The Serbian aggressor's side demanded more time to reconsider this proposal. If the aggressor's side accepts the proposal, UNPROFOR has obligated itself to publish it. The Serbian aggressor's side did not have a representative who would discuss the opening of blue routes. These talks will, therefore, be continued at the next meeting. Minister Muratovic in the name of the Bosnia-Herzegovina Government and our state's UN Liaison Committee wished Mr. De Mello much success at his new duty post.

UN's De Mello Pays Farewell Visit to Izetbegovic

AU2710203094 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 27 Oct 94

[FBIS Translated Text] Sergio de Mello, chief of UN Civilian Sector for the Former Yugoslavia, who will soon take a new post in the UN, today paid a farewell visit to Alija Izetbegovic, president of Bosnia-Herzegovina Presidency, and Bosnia-Herzegovina Foreign Minister Irfan Ljubijankic. Nedzad Leko reports:

[Begin recording] [Leko] After the talks with President Izetbegovic, Mr. Di Mello addressed reporters:

[Mello, in English with superimposed Serbo-Croatian translation] I told the president that I hoped that this winter would not bring the same suffering to the Sarajevo residents as the previous winter, namely, shortage of food, electricity, and gas. I definitely hope that the exclusion zone, which has been in existence since (?5 February) will hold so that the Sarajevo residents will be spared constant shelling [words indistinct] 1994.

UN Protection Forces [UNPROFOR] will continue to be engaged in securing vital utilities to the residents, especially electricity, gas, and water. We also hope that we will soon be able to reopen the two roads through the airport—Butmir-Dobrinja and Ilidza-Lukavica. This was one of our main achievements in 1994, accomplished through the talks. I was especially sad when the roads through the airport were closed on 26 July, (?because I had witnessed the signing of) the agreement on the opening of roads and Grbavica bridge.

[Leko] When asked whether he was satisfied with what he has accomplished during his mandate, Sergio di Mello replied:

[Melo] You can imagine that I would have wished to achieve much more [words indistinct] my colleagues and your government [words indistinct] Serbs. However, I believe that since February we have achieved results that the residents felt [words indistinct]. We must avoid regressing to the previous situation at all costs. Until progress is made on the political front, these achievements remain very fragile. However, I hope that we can maintain this improvement [words indistinct] Sarajevo while we continue to search for a political solution.

[Leko] Finally, Mr. De Mello thanked the members of the media:

[Mello] I thank the members of the media who were very kind to me throughout my stay here. I know that they have always striven to [word indistinct] a fair image of UNPROFOR and [words indistinct]. [end recording]

France's Leotard Arrives in Sarajevo 27 Oct

AU2710180894 Paris AFP in English 1719 GMT 27 Oct 94

[FBIS Transcribed Text] Sarajevo, Oct 27 (AFP)—French Defence Minster Francois Leotard arrived in the Bosnian capital Thursday on a whistle-stop tour during which he was to meet Bosnian President Alija Izetbegovic and French UN forces stationed here.

Leotard arrived at 4:30 p.m. (1530 GMT) and embarked on a brief inspection of French positions near the UN-controlled airport, a French UN spokesman said.

The minister was to hold talks with the UN Sarajevo sector commander, French Major-General Herve Gobilliard, before meeting Izetbegovic around 7:00 p.m. Later Leotard was to dine with senior French officers in Sarajevo.

On Friday Leotard is due to fly to the Croatian capital Zagreb for talks with the French commander of UN forces in ex-Yugoslavia, General Bertrand de Lapresle.

Comments on Lifting Embargo

LD2710221294 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 2100 GMT 27 Oct 94

[FBIS Translated Text] Alija Izetbegovic, president of the Bosnia-Herzegovina presidency received French Defense Minister Francois Leotard today.

In a brief statement following the meeting Leotard told journalists that France would withdraw its troops from

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UNPROFOR [UN Protection Forces] if the arms embargo was lifted. Leotard stressed that other European countries would also withdraw their troops from Bosnia-Herzegovina if the embargo is lifted. The consequences would be very grave for Bosnian civilian population and the UN operation in Bosnia. Peacekeepers securing encircled enclaves would find themselves in a particularly difficult situation, Leotard stressed.

Speaking about Sarajevo, Leotard said that the continuation of the siege of Sarajevo was unacceptable both politically and ethically. Leotard is to travel to Zagreb tomorrow.

UN Spokesman on 'Hostile and Provocative' Serbs

AU2710144894 Paris AFP in English 1236 GMT 27 Oct 94

[FBIS Transcribed Text] Sarajevo, Oct 27 (AFP)—A UN spokesman Thursday slammed recent Bosnian Serb attacks and blockades of UN forces here as "deliberate, hostile and provocative".

On Wednesday, Bosnian Serbs denied clearance to nine UN fuel convoys headed for the eastern Moslem-held enclaves and Sarajevo, spokesman Thant Myint-U said. "This latest refusal by Bosnian Serb authorities not even to allow a small amount of fuel through their territory is making for an increasingly desperate situation, especially in the two eastern enclaves of Gorazde and Srebrenica," he said. UN forces have had to curtail activities in Gorazde and carry out foot rather than motorized patrols because of the fuel shortage.

Myint-U also protested Wednesday's Serb attack against UN Nordic battalion troops near Gradacac, in northern Bosnia, during which a Danish Leopard tank was hit by a shell and slightly damaged. There were no UN casualties.

"This is only the last and most serious of a series of attacks on UNPROFOR (United Nations Protection Forces) by the Bosnian Serb side in the weeks since their non-acceptance of the contact group plan" for the partition of Bosnia, he said. "We can only interpret this act, cobbled with the blockade of fuel to our personnel in the eastern enclaves, as deliberate, hostile and provocative actions against UNPROFOR," he added.

In the latest reported incident, four British soldiers and their female interpreter were seized by the Serbs on Tuesday inside Bosnian-held territory, north of Tomislavgrad, UNPROFOR spokesman Lieutenant-Colonel Tim Spicer said Thursday. The liaison team was being detained in Kupres police station for unspecified reasons and was due to be released later Thursday, he said.

Bosnian Croat, Muslim Parties Discuss Federation

LD2710200994 Zagreb Radio Croatia Network in Serbo-Croatian 1800 GMT 27 Oct 94

[FBIS Translated Text] A joint top-level meeting was held in Usora today between delegations of the Croatian Democratic Union [HDZ] and the Party of Democratic Action [SDA] of Bosnia-Herzegovina. The meeting was devoted to discussing the implementation of the Bosnia-Herzegovina Federation Constitution and the Zagreb agreement.

A statement from the meeting says, among other things, that the delegations are in agreement that unhindered work by both parties—the HDZ and SDA—in all municipalities under HVO [Croatian Defense Council] and Bosnia-Herzegovina Army control should be secured. The conclusion was reached that posts in the Bosnia-Herzegovina Federation bodies should be filled. In this respect, it was stressed that by 7 November, the HDZ should forward proposals for all ministerial and deputy ministerial posts within the federal government, and also for posts of directors and heads of administrative institutions.

Agreement was reached on holding a meeting of the Federal Coordination Committee as soon as possible, in order to overcome contentious issues which have been hindering the implementation of the Bosnia-Herzegovina Federation Constitution. Despite the slowness in the implementation of the Constitution, the delegations concluded that some positive results have nevertheless been achieved. An agreement was also reached that the security of all those wishing to visit cemeteries on All Souls' Day will be secured.

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No Agreement Reached at Croatia-RSK Talks

LD2710172294 Zagreb Radio Croatia Network in Serbo-Croatian 1600 GMT 27 Oct 94

[FBIS Translated Text] A few moments ago, after seven hours of talks between representatives of Croatian authorities and Serbs from Croatia's occupied areas, no concrete agreement was reached. Hrvoje Sarinic, head of department for talks with UNPROFOR [UN Protection Forces], said this was the first round of talks, which will continue in a week's time in Topusko. Sarinic said that they discussed the issues in principle, but that concrete agreements were left for the meeting in Toposko.

Serb Statement on Talks

LD2710210194 Belgrade TANJUG Domestic Service in Serbo-Croatian 1950 GMT 27 Oct 94

[FBIS Translated Text] Knin, 27 October (TANJUG)—Negotiations between delegations of the republic of Serb Krajina [RSK] and Croatia on economic relations, begun at the UNPROFOR [UN Protection Forces] base at Zagreb's Pleso airport today, will be resumed in the UNPROFOR base in Topusko next week, says a statement issued by the RSK government issued this evening.

The Knin government statement says that today's talks between delegations, which were led by RSK Prime Minister Borisav Mikelic and the head of the Croatian president's office and the national security adviser to the Croatian president, Hrvoje Sarinic, were exclusively devoted to economic relations between the two sides.

The talks today encompassed problems in the areas of water supply, the possibility of reopening the Yugoslav oil pipeline, and the Belgrade-Zagreb highway, on an equal basis.

The goal of the talks, as the statement says, was to gain an insight, in the presence of representatives of the international community, into the realistic possibilities of establishing economic relations in the above-mentioned fields.

At the end of the talks, the statement goes on to say, David Owen expressed pleasure with the cooperative and constructive approach displayed by the RSK delegation in the talks which open up perspectives for the peaceful resolution of problems in relations between the RSK and the Republic of Croatia.

The resumption of the talks will be held in the UNPROFOR base in Topusko next Thursday [3 November].

Foreign Minister Interviewed on German Talks

LD2810002594 Zagreb HTV Television in Serbo-Croatian 2200 GMT 27 Oct 94

[FBIS Translated Text] What is Germany's and what is Croatia's stance as regards the mini-group Z-4 plan for the reintegration of Croatian occupied areas. This question was put by our colleague Drago Culina to Mate Granic, Croatian deputy prime minister and minister of foreign affairs, following the Kinkel-Granic meeting:

[Begin recording] [Granic] Germany supports fundamental Croatian views regarding its territorial integrity, sovereignty, and granting local autonomy exclusively in two districts—Knin and Glina—in accordance with the best European standards. As regards sectors west and east of the UN Protected Areas, it is only possible to discuss the time-scale in which the United Nations will take over the administration, including the return of refugees to these areas so that we may hold elections there.

As regards control of Croatia's borders, it will be done exclusively by the Croatian Government. The Croatian position as regards the level of local autonomy is contained in our constitution, our constitutional law, and President Tudjman's peace initiative. Of course, it is possible to have talks in the spirit of the constitutional law and President Tudjman's peace initiative, but exclusively in accordance with the best European standards.

[Culina] Obviously there is no doubt in the West that occupied areas of Croatia ought to be reintegrated in its legal system. However, different stands and nuances have emerged within the Contact Group itself. The French foreign minister told LE MONDE that Croatia might have to make some concessions. Germany's stance in this respect is completely different. Did you talk about it?

[Granic] There were and are certain differences within the Contact Group itself. They likewise exist within the Zagreb Group, which has been operating within the conference on former Yugoslavia. There are differences, but they are being coordinated. However, one should add here that nobody has any objections to Croatia's main stands. This means Croatia's territorial integrity and sovereignty over its entire territory.

However, there are differences in what the level of autonomy ought to be like. Croatia will not accept anything that may resemble a state within a state. Naturally, this may have its consequences—it may leave the decision-making whether Krajina will be in Croatia or will join somebody else as an open issue. I would like to reiterate that our stands in this regard are very firm: Yes to local autonomy with the best European standards, but no to a state within a state.

[Culina] Do you agree with what Mr. Kinkel said—that this Z-4 plan may be used as basis for further talks?

[Granic] Mr. Kinkel precisely said that work on this plan is under way, and that is true—work on it is under way. It remains to be seen when it will become official, whether it will become official at all. In any case, Croatia will cooperate with the Zagreb group, and if the level of agreement is high, the plan will be rendered official,

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which will become a basis for negotiations but with support from the international community. [end recording]

UNPROFOR Meeting 'Hostility' in Croatia

LD2610152694 Belgrade TANJUG in English 1335 GMT 26 Oct 94

["Pool" item]

[FBIS Transcribed Text] Zagreb, Oct. 26 (TANJUG)—United Nations Civil Affairs Director in former Yugoslavia Sergio de Mello Tuesday said the U.N. troops often encountered a lack of understanding and hostility in Croatia.

De Mello said that was his first such experience in 25 years of work for the United Nations.

De Mello told Croatian Foreign Minister Mate Granic and Croatian president's cabinet chief Hrvoje Sarinic the U.N. Protection Force [UNPROFOR] did not have the mandate to impose peace.

De Mello soon ends his mandate in former Yugoslavia and leaves for Geneva for a post with the U.N. High Commissioner for Refugees.

He said it had not been decided who would replace him.

Zagreb on several occasions demanded that UNPROFOR give Croatia jurisdiction over Serb Krajina, threatening to refuse to renew the mandate of the U.N. troops there.

Serbs in Croatia set up their own state, the republic of Serb Krajina, in 1991 after Croatia seceeded from the former Yugoslavia and removed Serb national rights from the Croatian Constitution.

Serb Krajina was placed under U.N. protection in the spring of 1992 which has not deterred Croatia from launching four offensives against the territory since.

However, the Vance plan, which came in force in 1992, deployed the U.N. peacekeepers until a political solution was reached.

Croatian refugees from Serb Krajina took part in last summer's campaign against UNPROFOR, blocking a number of checkpoints.

UNPROFOR has accused the Croatian authorities of backing and organizing the campaign.

Role of Banks, 'Old' Savings in Privatization

95BA0015C Split FERAL TRIBUNE in Serbo-Croatian 10 Oct 94 pp 8-9

[Article by Milan Gavrovic: "The Magnates From the Piggy Bank"]

[FBIS Translated Text] While the public amuses itself with the debt of the Bank of Ljubljana as an essential part of the spectacular conflicts between Croatia and Slovenia, another game without borders involving old foreign exchange savings is still going on behind the drapes of bank offices, and all the players in it have certificates of Croatian citizenship. The rules of the game are changing constantly, but its outcome is known in advance. Who wins and loses is known in advance. Contrary to what many people think, the losers are no longer only the savings depositors whose sacrifices over several years were turned into tokens. The size of the playing field and the number of players have now been increased. Nor is the purpose of the game the same anymore.

That is, old foreign exchange savings have become one of the key mechanisms for privatization and creation of new wealth and rich people without pain, effort, or money. It operates quite simply, although the reports getting through to the public are usually unclear and hidden behind seven veils of the usual banking mystification. For example, as though it were the most normal thing in the world, it is reported that the banks are buying firms with old foreign exchange savings. What savings? anyone would have to ask. The banks were not saving—they are the place where the savings were put. They are the debtors who did not repay the debt, because they had no money. How can they now be buying enterprises with that debt?

Or, it is said that the banks have acquired the right to make purchases with that portion of old savings which they did nevertheless return to the public. The reference is to the 100 to 200 German marks [DM] which at one time were paid out every month to depositors over age 65, and then to the needy, of the foreign exchange returned to those who needed drugs from abroad, and finally to the sale of apartments owned by the banks for old foreign exchange savings. But every one of us knows that once you give money, you no longer have it. That now someone else has it. How did the banks repay their debt and at the same time acquire the same money which they repaid? Along with the right to use it to buy enterprises?

The Lie About Belgrade

There are two answers: the formal legal answer and the political answer. As a point of law, the banks no longer owe anyone anything, and that has been true since the beginning of 1992. The decision was made at that time to turn the old foreign exchange savings into public debt, which means that the Croatian state has taken over the debt of the banks. And in that specific case the Croatian state means all taxpayers. The state budget, by decision of the Assembly, must return their money to the old savings depositors over a period of 10 years beginning in 1995. The state has also taken over payment of the interest. About DM200 million a year on the approximately DM3.5 billion of total debt.

At that point, it seemed that everything was fine and that the purpose of the entire operation was to protect the

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depositors. What is more, the state represented itself as being particularly magnanimous, because it had decided to take upon itself the payment of the money which—everyone was asserting—had remained in Belgrade. But only the foreign currency remained in Belgrade, the dinar equivalent had been paid by the former National Bank of Yugoslavia to all the banks, including those in Croatia. That falsehood—that the money had remained in Belgrade—soon became the cornerstone on which an entire building of subsequent speculation has been erected.

That is, most of that money has been in bank loans. They have been using it for credit financing of the economy, expecting that the economy would repay them that money, with interest, of course. In the meantime, production in Croatia was cut in half and most enterprises were unable to repay the debts. But the banks did not write off those debts, but they turned their claims into shares in ownership. Thus, thanks to the money that originated with old foreign exchange savings, the banks became the owner of a large portion of the Croatian economy, and only the Croatian state remained with an obligation to the depositors. In other words, Croatian taxpayers are having to pay (and they are already doing so in the form of the interest they pay) for enterprises being given to the banks.

The Savings Vanished

Out of a desire to diminish its debt and the interest it is paying—and Croatia's public debt is mainly old foreign exchange savings—the state decided instead of the money which it does not have, to offer the savers property it does have. Thus, they began to sell apartments for old savings, and this year they have done the same with shares in enterprises. But the banks immediately became part of that game as well, and they did it in two ways. Gathering up the old foreign exchange savings from individuals at a price considerably below its nominal value and exercising the right to make purchases with savings which they had repaid to the elderly, the poor, and the sick. This in the end is the answer to the question of how it is possible to repay a debt and use the same money to purchase enterprises—as soon as the banks gave something to the old depositors, the state became their debtor. The old savings, we should recall, are no longer the debt of the banks, but public debt, that is, the debt of the state, that is, of all those who pay taxes....

In this way, yet another level has been added to the edifice of seizing ownership founded on the falsehood that the money of Croatian savings depositors had remained in Belgrade.

As a matter of formal law, then, it has all been brought under the law of art, in accordance with the rules of the banking art. But, as we have said, a political answer is also being sought to the question of why all this was possible. Did the state lead its taxpayers into the difficult situation accidentally, out of ignorance and naivete—or is this the way it was supposed to work out?

The only thing that was naive—but it was really very important—was acceptance of the assertion that the money had remained in Belgrade. It is significant that the bankers and government officials immediately put themselves among the naive with loud and voluntary statements. Those, then, who should have been very familiar with the banking mechanisms and who had all the balance sheets in their hands. Who, if the truth be known, actually had to know exactly where every dinar ended up. Thanks to that "innocence," the state turned the old savings into its (public) debt—but it did not at the same time take over all the loans the banks had made out of that money. (It was, honor bright, in Belgrade after all.) The state thus took over the liabilities from the banks, but not the assets. The loss was passed on to the backs of the taxpayers, and the gain was left to the banks.

But even this is not the end of the endless love and tolerance the banks receive from those running the Croatian state. A love which at the same time signifies a stepmother's cruelty toward the Cinderella taxpayers. Thus, Privredna Banka is purchasing enterprises with old foreign exchange savings that it does not have at all. It may seem silly, but it still works, as the actor says in one ad. How do you make a purchase without money? By writing a check not covered with funds. That is, with a bad check. And Privredna Banka writes that it has old foreign exchange savings, although it does not, everyone knows it, and no one does anything about it.... To be sure, it has a different name in "professional" terms—exceeding or violating authority. Even Prime Minister Valentic, it is true, has warned that it must not be done—no, no, shame on you!—but the bank goes on making purchases. According to Privatization Fund figures, it has already acquired ownership worth almost DM500 million.

The Banks Are in the Game

Why not immediately cancel all those sales instead of issuing a warning? Why are the prosecutors and police not knocking on the doors of the responsible officials? Some people look for an answer in the report—which the bank immediately denied—that the firm NETEL (owned by Nevenka Tudjman) had purchased from Privredna Banka shares in the department store chain NAMA. The bank had purchased those shares, worth DM90 million (which is 40 percent of NAMA), it is well-known, for old foreign exchange savings. Some people, then, do not believe the denial, although in itself it is not important (except, of course, for the people involved). The important thing is the entire practice pursued in the privatization and especially the role assigned to the banks in this, judging by all appearances. And there are sufficient elements to establish the direction from which all the winds are blowing.

The banks, that is, are more and more being given the role which until yesterday was assigned to the State

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Privatization Fund. In the fund, people came into conflict publicly, its work was open to public scrutiny in large part, it was debated in the Assembly, and its work (more accurately, the work of some of the people) was publicly criticized even by President Tudjman, because they were not sufficiently accommodating to purchasers from the diaspora, and so on. Now, after a number of public conflicts and certain public resignations, he is abolishing the fund (it is supposedly being turned into an agency that will manage state property), and the business of privatization is to be taken over by a separate ministry. And its activity, let us hope, will also be at least as public as that of the fund has been.... But at the same time, a large portion of the nationalized property is being rapidly transferred into the banks, where it will be privatized far from public searchlights, in the comfortable intimacy of bank offices.

There is already a precedent for that. That is the pension funds, which obtained shares with a face value of DM4 billion and were told that they should take good care of them and transfer the dividends to pensions. This, it was explained, is what the pensioners had earned through their working life. But every so often new owners turn up in the enterprises after purchasing shares from the pension fund, and then they use them as a means of pressure on small stockholders to sell them their shares considerably below market price and give up all the privileges they had gained on the basis of their work in the past. So the pensioners are the first to be hurt in the effort to gain a weapon with which they later hurt the employees. Under what conditions and at what price the shares were purchased from the pension fund is a matter that comes under the head of a "business secret."

Who Is Paying for It All?

So far, about DM1 billion more of property to be privatized has been sheltered like a business secret—this time a banking secret. That is the figure that follows from a statement made by Ivan Penic, that great master of privatization, in a meeting of a committee of the parliament last week. On that occasion, he also said that so far the state has collected only DM413 million in cash during the privatization. It is easy to calculate that this is only 1 percent of the estimated value of the former social property (together with public enterprises and the infrastructure). To be sure, one of the discussants immediately said that the money is not as important as the property finally getting a titleholder. That is, an owner. That view can be defended in economic terms. But still it is not enough just to know who is drinking, we also need to know who is paying. And why.

Transformation of Privatization Fund Viewed

95BA0006C Split SLOBODNA DALMACIJA in Serbo-Croatian 26 Sep 94 p 12

[Article by S.G.: "Privatization in a Holding Company"]

[FBIS Translated Text] Transformation seems to have come to the Croatian Fund for Privatization [HFP]. The institution that in recent years has systematically concerned itself with finding the owner of social property has completed the first stage of that demanding job, and, well-informed people say, it has become ripe for "self-transformation."

The reference is to the founding, and the official decision has been made, of a Ministry for Privatization able to respond to the demand for privatization, which is, this is presumably beyond doubt, the central point of economic transformation. However, the HFP will not become a ministry, at least not altogether, since the fund's transformation is going in the direction of a kind of holding company, a corporation whose task will be to manage the portfolio of stock that the state still owns. There is surely no need to recall what order of magnitude we are talking about here, it is not far from the truth to say that the state is (still) the owner of nine-tenths of Croatian property. That was not the intention when the process of transformation began, and it is understandable that in the meantime—until full-scale privatization—there is very good reason to take good care of the property. After all, it still has to be sold.

In the opinion of Josko Ivacic, director of the HFP's office in Split, the entire job of transformation and institutional changes must go very carefully, and certainly must stay within the realm of a general consensus. It is a question of defining the global conception of privatization, and it is logical to expect, Ivacic is convinced, differing opinions and proposals, from which afterwards it will of course be easy to choose the optimum solution. According to the reports issued by the fund, a debate has begun concerning the future strategy of privatization, and the fact that up to now the response has been poor certainly must not be grounds for concluding those talks. Consensus, Ivacic insists, is a conditio sine qua non on the future itinerary of privatization, since this is a job, which, as they say, will shape the destiny of future generations.

The changes should affect the process of decisionmaking, especially those decisions concerning the sale of enterprises undergoing transformation, and management of the property that has remained under state ownership.

The Ministry for Privatization, then, will assume responsibility, which is really a fairly heavy burden, for optimum management of the process whose end result must be private ownership.

There remains the management of state property which the prime minister himself recently said cannot be left to amateurs. In addition to the other references which go without saying, the prime minister is insisting on professional competence, since the care of valuable property does not mean just attending meetings of boards of directors, but creative business operation, energetic restructuring, investment.... The holding company, which, it is believed, will arise from the foundations of the fund, must also have a balance sheet and an annual report, it must know how to manage property, and by no

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means will it be able to transfer responsibility for the successful performance of its companies to management or even the future owner. After all, the property must at least remain the same until it is sold, if it cannot be augmented. By the end of the year, Josko Ivacic believes, the institutional framework will be precisely defined so as to make the rules of the game transparently evident to everyone, and the excuses and demands for extraordinary arbitration by some authority will no longer be valid. And of course he reiterates the demand for involvement of all interested parties in the process of defining the rules of the game, since only in that way is it possible to at least attempt to neutralize the evident suspicion of the concept that has functioned up to now. Privatization is too delicate and strategically important a job to be left just to the experts, malicious tongues would say.

Effects of Economic 'Colonization' Decried

95BA0006B Split SLOBODNA DALMACIJA in Serbo-Croatian 26 Sep 94 p 4

[Article by Srecko Jurdana: "IMF Guinea Pig"]

[FBIS Translated Text] Just as the Croatian leadership in 1992 placed the entire issue of Croatia's military-political sovereignty under the exclusive jurisdiction of the United Nations, through the UNPROFOR [UN Protection Forces], so in 1994 that same leadership has placed the entire issue of the nation's economic sovereignty at the discretionary disposition of the International Monetary Fund, that is, the oligarchical group of British—and British-connected—usurers who run that institution. It has taken all of two years for it to have become completely clear even to those Croats who fanatically believe in the infallibility of Croatian state policy that consent to the UNPROFOR's coming was a Croatian political-military debacle. How much time will have to pass for the same realization to crystalize concerning consent to intervention of the International Monetary Fund?

A Pseudo-Idyllic Country?

There are signs that when it comes to Croatia's economic colonization, it could take considerably less time for the nation to become aware. The International Monetary Fund is assaulting the vital tissue of the Croatian economy. Croatia is being called upon to give up its key industries and to drastically the number of those employed in the fundamental branches of the national economy. It is thus a question of shock therapy which the IMF has traditionally used in experimenting on guinea pigs of the underdeveloped and those who "are not supposed to develop." IMF experimentation has for instance demonstrated its real results in Russia, which in a year it managed to turn into a pauperized conglomerate of mafioso feudal lords. Afterward, Russia attempted to remedy those economic inhibitions caused by the shock therapy with neoimperialist adventures in the Balkans, and that process of 'therapy' is still current even today.

In Croatia—which in spite of everything is at war—the IMF's shock therapy might really have fatal consequences. Abandoning fundamental branches of the economy which the IMF quite arbitrarily proclaims "unprofitable" will not only generate a critical mass of unemployment—along with social welfare programs that have no one to finance them—but it will also, by its inherent nature, incapacitate Croatia for self-defense. In its ultimate derivation it could turn Croatia into a pseudo-idyllic country, which has renounced its industry and is living off the sale of cotton candy, vegetable-stand honey, or postcards of fishermen at sea backlighted by a sunset, while the Serbs conduct military maneuvers without hindrance at the gates of its former industrial centers. Government consent to the deindustrialization sought by the IMF could therefore prove to be the last triumph of mediocrity in Croatian politics.

It is really a question, to paraphrase a thought of Mr. Hrvoje Sarinic, progenitor of Croatian subjugation to the IMF, of the "crown of all successes to date." Those same international circles which imposed the UNPROFOR on Croatia now want to finish the job by doing away with Croatian industrial capacity, proclaiming that war against the national state to be "opening up to the market economy" and "inclusion in international financial flows." It seems, however, that Croatia is an incurable guinea pig and must once again test every usurious experiment—however well it knows the outcome—on its own skin. The Sabor [Croatian parliament] will soon have an occasion to debate what is not being debated today, i.e. the dramatic consequences of IMF intervention in the national economy, just as today it is debating what it should have debated two years ago, i.e. the dramatic consequences of consent to the UNPROFOR's coming to Croatia. Some people really have to learn their lessons the hard way.

The Bosnian Corollary

With the UNPROFOR, as we see, they intend to extend for the next 100 days the monotonous pattern of extending the mandate without change in its content, and we might ask the government in this connection: What is the real purpose of this big circus with the displaced persons and the barricades that appeared a month ago. What was the purpose of those grandiloquent threats of the foreign minister and others about definitively withholding Croatian friendship from the UNPROFOR, if after the thunderous shaking of the hills—for a time at least—it gives birth to another mouse? The inability of the Croatian government to handle the problem of the UNPROFOR did not come from the strength of the UNPROFOR, but from the weakness of the government. Why are there no lamentations about the UNPROFOR in Bosnia? Because in Bosnia the UNPROFOR has various tasks, but none of them includes establishing and guarding the line of demarcation between territories under control of the central government and territories under control of the Serbs. The central government is not consenting to that

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line of demarcation, and in Bosnia a war is being waged to liberate land from the Serbian occupation in spite of the UNPROFOR's presence. That "frustrating" position finally resulted in the "threat" of the UNPROFOR that on its own initiative it would leave that state in which it is being ignored and reduced to a mere supplier of humanitarian aid. The problem of the UNPROFOR, then, arises from the state's attitude toward it. The "international community" has several times attempted to impose the UNPROFOR on Mr. Izetbegovic as a "peacekeeping" formation of the Croatian type, which—after the "truce" is signed—will freeze the status quo on the ground and guarantee the Serbian conquests. The Bosnian president has rejected every one of those "peace initiatives" and that is why he has no problem with the UNPROFOR.

The Croatian Fear

Of course the price for that is the permanent dynamics of the battlefield, and that is precisely the price that the Croatian government has been unwilling to pay, and today—because of that unwillingness—it is experiencing the frustrations the media are bombarding us with every day. But in the Croatian case it is not just a question of paradoxical evasion of any escalation of the conflict with the Serbs, which is why the UNPROFOR was deployed—but of a humiliating fear of confrontation with the "international community," which is preventing Croatia from denying friendship to the UNPROFOR in indirect ways. Croatia is accepting the UNPROFOR as a force superior to its army—because it unconditionally respects the authority of the international factors that stand behind the UNPROFOR—and that is the only reason why the UNPROFOR behaves like a superior force. Devoid of any objective military significance whatsoever, the UNPROFOR has been exploiting to the extreme the knowledge that Croatia does not dare to touch its political symbolism.

The correct Croatian approach to the problem at this point would be to radically interrupt all public debates about the UNPROFOR and its mandate and to adopt certain aspects of the Bosnian methodology, the empty rhetoric about the UNPROFOR should be replaced by limitation of its logistics, the issuance of fuel exclusively for the most necessary purposes, and—above all—stepping up the dynamics of the Croatian battlefields. This is the only way to eliminate the UNPROFOR from Croatia, but that is not a way that would please the International Monetary Fund. It is up to the Croatian leadership to choose.

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Alliance for Macedonia Calls on Citizens To Vote

AU2810082894 Skopje VECER in Macedonian 27 Oct 94 p 4

[Unattributed report on statement by Tito Petkovski, spokesman for the Alliance for Macedonia: "Silent Coup d'Etat"]

[FBIS Translated Text]—The announced boycott of the second parliamentary electoral round actually means a state of emergency in Macedonia [The Former Yugoslav Republic of Macedonia]—a silent coup d'etat, a disqualification, a suspension of the administrative and executive authorities, and a prolongation of the mandate of the present parliament through the formation of a professional government. It also means an annulment of the elections and preparations for new elections by the opposition. All this at a time when only 10 candidates have secured assembly seats out of the total of 120, which leaves open the possibility of a two-thirds majority for the opposition. Normally, they do not want to come to power in a constitutional and legal way. By implementing revolutionary methods, they are weakening confidence in the institutions of the system and they are asking for a state of chaos in which they would manage better than the democratic forces.

In spite of what they have declared, we have reliable information that the opposition is running a strong campaign and direct activity before the voters. This can only mean that they are preparing to cheat the voters with the goal of preventing the affiliates of the Alliance for Macedonia from going out to elections. Bearing in mind that 77.76 percent of the citizens of Macedonia voted in the first round, the Alliance for Macedonia is calling on the citizens to go out to vote in the second electoral round in masses.

SDSM Leader Criticizes Election Boycott

AU2810091794 Skopje VECER in Macedonian 27 Oct 94 p 4

[Unattributed report: "The Opposition Is Running Away From Reality"]

[FBIS Translated Text] "On 16 October, the citizens of Macedonia [The Former Yugoslav Republic of Macedonia] decided for themselves," Branko Crvenkovski, president of the Social Democratic Alliance of Macedonia [SDSM], said at an Alliance for Macedonia election rally yesterday. He also said that the results were expected, but that they were surprised that the opposition was so amazed, and it was obviously unable to face the will of the people.

"Our political opponents are demanding new elections, and on Sunday [30 October] we will be having new elections—the truth is that they do not want to face the people," Crvenkovski said. Commenting on the call for a opposition boycott, Crvenkovski indicated that it was a street fight for the accomplishment of political objectives and that it was beyond any reason in a parliamentary democracy.

Ilinka Mitrevska, parliamentary candidate of the Alliance for Macedonia, also appeared at the rally.

VMRO-DPMNE Criticizes Election Procedures

AU2810091894 Skopje VECER in Macedonian 27 Oct 94 p 4

[Article by B.Gj.: "Publication of Final Results"]

[FBIS Translated Text] The head of the analytical center of the VMRO-DPMNE [Internal Macedonian Revolutionary Organization-Democratic Party for Macedonian National Unity] stated at yesterday's news conference that the manipulations aimed at depriving people of the right to vote were mostly done in areas that are known for their party affiliations, and the VMRO-DPMNE was the one that suffered the greatest damage.

It was requested yesterday to have the final election results published on all the candidates who participated in the elections, and not just on those who are going through to the second round of the elections.

VMRO-DPMNE Contests Election Law

AU2810091994 Skopje VECER in Macedonian 27 Oct 94 p 4

[Article by B.Gj.: "Initiative to the Constitutional Court"]

[FBIS Translated Text] Yesterday, the VMRO-DPMNE [Internal Macedonian Revolutionary Organization-Democratic Party for Macedonian National Unity] submitted an initiative to the Constitutional Court on reassessing the constitutionality of Article 11 of the Law on the Election of the President of the Republic of Macedonia [The Former Yugoslav Republic of Macedonia] because, the party stated, this article contradicts Article 81 of the Macedonian Constitution. The initiative states that Article 11 prescribes that "the president of the republic is elected by a majority vote of the total number of voters on the electoral roll," but Paragraph 2 of Article 81 of the Constitution says that "the president of the republic is elected by a majority vote of the total number of voters." According to this, the initiative claims, the constitutional framework has been violated by adding the phrase "on the electoral roll."

DP's Gosev: 'Democracy in Macedonia Lost'

AU2710203294 Skopje VECER in Macedonian 27 Oct 94 p 4

[Article by S.Kr.: "Investment, Salvation of Candidates"]

[FBIS Translated Text] In October 1994, it was not the will of the people that won, but the will of the schemers.

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They had suspended the Law on Electoral Rolls, the Law on Constituencies, and the new Law on Political Parties. We did not lose and they did not defeat us. In a moment democracy in Macedonia [The Former Yugoslav Republic of Macedonia] lost.

These are the basic points of last night's speech of DP [Democratic Party] leader Petar Gosev at a protest rally held in the Macedonian National Theater. It was also attended by the leader of the VMRO-DPMNE [Internal Macedonian Revolutionary Organization-Democratic Party for Macedonian National Unity], accompanied by its top leadership, as well as by the leaders of some smaller opposition parties. This rally, which was also called an anticonvention, was also addressed by DP parliamentary candidates who thanked their voters for their support and stated that they agreed with the boycott that has been announced for Sunday [30 October].

Gosev also reemphasized that the elections were "to a large extent rigged by the state." "Losing the elections is, as a matter of fact, the beginning of our victory," he said. "The fact that we do not accept being victims or having any part in this state cheatery, this is the salvation of the DP candidates and our investment in the construction of democratic institutions in the Republic of Macedonia," he explained. At the end of his speech, addressing all those that had voted for his party, he announced a continuation of the political struggle outside parliament.

Poll Predicts 80-Percent Election Turnout

AU2810093094 Skopje VECER in Macedonian 27 Oct 94 p 5

[Article by V.V.: "Four-Fifths Will Vote"]

[FBIS Translated Excerpt] Four-fifths of the citizens of Macedonia [The Former Yugoslav Republic of Macedonia] are ready to vote in the second round of the elections on 30 October. Over a third will vote for the Alliance for Macedonia, 12.67 percent for the PDP [Party for Democratic Prosperity], 7 percent for the DP [Democratic Party], and 6 percent for the VMRO-DPMNE [Internal Macedonian Revolutionary Organization-Democratic Party for Macedonian National Unity]. These are the basic results of a survey that was made by DATA PRESS in the past few days, which questioned 600 people.

As far as the first election round was concerned, 86.67 percent of the respondents replied that they had fulfilled their civil duty, while 13.33 said that they had not voted in the elections. Half of them believe that the first election round was regular, while 31.67 thought the opposite. In the first round, according to the results of the survey, 38.67 percent voted for the Alliance for Macedonia, 12.33 the DP, the same for the PDP, and 7.33 percent for the VMRO-DPMNE. [passage omitted]

Democratic Prosperity Publishes Election Platform

AU2510173794 Skopje MIC in Macedonian Sep 94

["Election Platform" of the Party of Democratic Prosperity; dated "September 1994": "United Path Towards the Future"]

[FBIS Transcribed Text]

We Are Democratic Prosperity

The Party for Democratic Prosperity [PDP] is a contemporary, democratic political party which strives to advance the democracy as the highest value of the European and world civilization, with the aim of strengthening the welfare and overall prosperity of humanity.

The free citizen, with his creativity, rights, and obligations, is the mainstay of every democratic system; therefore, every constitutional or legal decision must uphold his basic life interests: to be educated, to choose his own living place, to handle the ownership and profit, to enjoy the civil and national rights, to live in a clean environment.

Consensual Democracy

In multiconfessional and multinational states such as Macedonia [The Former Yugoslav Republic of Macedonia], the decisions concerning the vital issues regarding the functioning of the political and economic system must be made with the full consent of all political subjects. This eliminates the danger of one nation discriminating the other and one religion being in a more privileged situation than others.

We are against a majorization both in the central and the local government.

Institutional Action—our Lasting Goal

Until now, the Party for Democratic Prosperity carried out its activities within the institutions of the system. We will continue this political practice in future, enriched with new political ideas and initiatives. We will carry on our penetration in all fields of political action, such as the administration, police, army and the organs of the central and local government with much more courage, with the conviction that we have the initial results of such action ahead, as well as the future of our political orientation. We will define our constitutional-legal status: to be a constitutional nation in the Republic of Macedonia.

Decentralization and Central Government

The present situation in the functioning of the local government is not satisfactory. The municipalities, as political institutions, have no jurisdiction to make decisions in all fields of political and economic life. As such, the municipality does not function at all and is not able to satisfy the needs of the citizens. The current chaotic

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situation in the local self-government is unbearable and damaging. We stand for one law for local self-government, which will uphold the most progressive achievements in the practice of countries with democratic tradition. We are for a local self-government which will respect the standards of the "European Convention for Local Self-Government," adopted by the European Council.

Macedonia—a Common Country of all Citizens

We are for Macedonia to be, in practice, a common country of all its citizens: the Macedonians, Albanians, Turks, Vlachs and others. Favorizations on a national or religious basis are unacceptable to us. The diverse nations and cultures are a mosaic which displays the multinational and multiconfessional reality of this country.

Why Autonomy?

Unsatisfied with the further political processes which occur in the effect of the constitution of Macedonia in a homogeneous national state, the option for Political Territorial Autonomy began appearing in the ranks of the Albanians and the party, which was affirmed as an option also with the democratic will of the population, expressed through a referendum. This was a political answer that Macedonia is not accepted as a homogeneous national state, which can strangle the aspirations of the other ethnic groups.

With the adoption of the POLITICAL DECLARATION, whose signee was also PDP, the party was obliged to respect the political formula for the status of the Albanians in Macedonia, as elements of its statehood, which was defined in the Declaration. The option for Autonomy was not abandoned and comprised a wise political reaction in a specific political situation. The acceptance of the option of constituent element of the state was made under circumstances which were defined in the above-mentioned text, and we regard that as a political formula (which has to be supplemented with premises from the other formulas). This issue structured the Albanian question as a complete national question. This political option, in order to be viewed in all the width of its political concept, also requires its own model of the state (its internal structuring) and of the democracy. That can be conducted in a multiethnic state where the state and political subject of every national ethnicity that comprises this political society is conducted proportionally with its democratic weight

Nationality and Democracy

Starting from the fact that the political fate, dignity and welfare of a national ethnicity is not defined on lies by one political category such as the national, but by other categories as well, such as democracy, as a highest value and political aspiration, the legal state, with constitutional guarantees in its conduction, the social, economic and cultural progress (prosperity) of the citizens, such as the one so far, and the conduction of the economic and political pluralism. In the mandate which passed, PDP made efforts not only to institutionalize democracy in all those fields where there was consensus with the other political forces, but it also made efforts to advance the rights and national freedoms which, with the latest demands, can be said to have even exceeded the limit decreed with the new Constitution, and with which we came closer to our programme orientation for full rights. We stand for a restructuring of the police which will be in the function of a realization of the rights of the citizens. The present organization of the police is not satisfying: it is militarized and totally opposite to the "European Convention for Police," of the European Council [Council of Europe].

The culture of one nation, regardless of where it is created, is his universal value. We are for a common Albanian cultural ground, as that way we will achieve the spiritual and cultural unification among us.

For the Balkans Without Borders

The Balkans is a narrow space to have so closed borders as it is the case now. Balkan's democrat tendencies should go hand in hand with the European tendencies. Free Europe is a Europe without borders and it doesn't permit existence of imprisoned nations and airtight closed countries in the Balkans. State borders should be only geographic symbols.

University in Albanian Language—Need of the Time

The needs of university-level education in Albanian today are big. Therefore, we should create institutions for university education, which will go in the interest of these needs. Founding of the Teacher's College in Albanian at the University of Skopje is a beginning step in this direction. University education supported by the state institutions is our permanent tendency.

Culture—Determination of the Development of the National and Societal Conscience

PDP considers the culture as a basic determination of the preservation and development of the national and societal CONSCIENCE. Personality of the man, as well as his creative views are being determined through it. Intensifying of the cultural cooperation with the native land of all Albanians, wherever they are, is its lasting determination. PDP will support and encourage contemporary and progressive tendencies in the culture, like affirmation and support of the cultural amateurism, development of the professionalism in the culture, encouraging of the theater culture, stimulation of the physical and sport culture, development of the technical culture, as well as the labour culture. We'll encourage the cultural creativity on all levels and in the media. There should be founding of theater houses, institutions of the opera, musical-stage and art houses for children wherever it is needed.

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Equality of the Languages, Equality of the Peoples

Our tendency is for the Albanian language to become official language parallel with the Macedonian language in Republic of Macedonia, and that is our lasting determination. That equality should be expressed in all sections of the economic and political institutions, administration, health, education, and others.

Women—Mainstay of the Family and Society

A special attention should be paid to the encompassing of the women in the process of employment, education, and professional orientation, organizing seminars for those who remain housewives after the elementary education. A special attention will be paid to the female youth in the mountainous regions, which have been neglected. A special goal will be engagement of the women in the political life, introducing them in performing various functions in the political and economic institutions.

Our Workers Abroad

Investment of the capital should create conditions for job openings for the unemployed, as well as for returning of our workers abroad in their homeland. The basis of this project will be investing of the foreign and private capital. Introducing our children with the national culture, as well as their education in their mother tongue in the countries where they live and work, will be our special pledge.

Dialogue and Tolerance—our Permanent Advocacies

PDP considers that the dialogue is unimaginable method of our political acting. It will be encouraged not only as a method of work in the political life in Republic of Macedonia, but by all democratic forces in the world.

We are convinced that the internal dialogue cannot be replaced by any kind of form of external mediating. We consider the political alliances as a necessity of the time and space. We'll create them on the basis of our program determinations and with a clear political platform which will contribute to the defining of our political and constitutionally—legal status, as well as raising on a higher level of our national rights.

European and world institutions highly appreciate the contribution of PDP to the development of the democratic relations in the Republic, to keeping of the peace and defining the constitutionally legal status of Albanians, as well as to raising on higher level of their rights. Therefore we need further continuity and political activity in the European Council, CSCE, EU and other associations. Mediation of the international factor in the frameworks of the Peace Conference for former Yugoslavia, in the group regarding Macedonia, should continue with a special engagement. There will be a consistent political platform written, especially for our representation in front of these institutions.

Cooperation and Coordination With the Albanian Political Parties

Significant advantage will be given to the cooperation and coordination with all of the Albanian political parties everywhere in the world.

About the Foreign Languages Schools

Development of the science, education and technics can not be imagined without using the knowledge and experience of the developed countries. Founding schools in English, French, and German language, not only will contribute [word indistinct] of better personnel which will be in the interest of the total societal and economic development, but will accelerate our European integration.

Attempts To Form Albanian Coalition Viewed

AU2710112694 Skopje VECER in Macedonian 26 Oct 94 p 4

[Article by B. Geroski: "Who Was Undisciplined?"]

[FBIS Translated Text] Judging by the latest statements made by people at the electoral headquarters of the PDP [Party for Democratic Prosperity], the NDP [People's Democratic Party], and the group of Taci and Djaferi, the Albanian political parties will enter the second electoral round independently. The PDP will have 36 candidates for the second round, 12 of whom are in the lead in their constituencies (plus two more who were elected in the first round). The NDP continues the race with 14 candidates, two of whom are leading in their constituencies, and two of whom are in second place. The "Tacists" say that they have 19 "independent" candidates for the second round, five of whom are leading in their constituencies, and four others are in the lead compared to other parties of the Albanians.

Accusation

The fear that, in spite of these optimistic results, some of the "Albanian" constituencies could lose, forces these parties to negotiate on a coalition for the elections. However, they have not succeeded in this so far. At the center of these negotiations is the NDP, which is trying to promote itself as a mediator between the PDP of Abdurahman Aliti and the radicals of Taci and Djaferi. Each group is being accused by the NDP for the failure.

The NDP is accusing the "Tacists," for example, because they rejected an agreement on constituencies 73 and 74, in which Arben Djaferi and Menduh Taci are fighting Bedredin Ibrahimi and Abdulnadi Vejseli of the NDP. NDP secretary Ibrahimi was offered an agreement by PDP candidate Muhamed Halili. Arben Djaferi confirmed that there was such an offer, but that they had rejected it. "How could we accept it," he said, "when the two of us are the heart and the soul of our party?" Djaferi

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and Taci asked for an agreement with the NDP on other constituencies, but the NDP did not want to discuss that at all.

It seems that the NDP is trying to reach an agreement with the PDP. The arrangements have not been revealed yet, and it seems that there are still possibilities of achieving something. However, at yesterday's news conference, the NDP stated clearly that the PDP candidates are not respecting the decisions of the central presidency of the party and that was why the discussions had come to a dead end.

The spokesman of the PDP electoral headquarters, Muhamed Halili, has a different explanation. He said that it was difficult to reach an agreement, because the NDP is sitting on two chairs. On the other hand, in his opinion, some branches do not respect the decisions of the leadership of the NDP, and therefore one can say that the NDP is undisciplined, and not the PDP. This is how Halili explains the relative unsuccess in the first electoral round in his constituency (the one that is shared with Djaferi and Ibrahimi): "While I was in Strasbourg to fight for the registration of Albanian voters in the ballots, they were dancing a national dance."

Fear

Halili believes that something will change in the second electoral round and that the "Tacists," and also the NDP, do not have a chance of endangering the positions of the PDP candidates. Djaferi fears that now that he is in the lead in the most interesting constituency, the authorities will take steps to eliminate him (for instance, they can deny his citizenship).

The NDP does not seem to be afraid of anything, but it is insisting on being a mediator between the two warring branches of the once PDP, and that is very symptomatic. Halili explains that this is a dangerous double game, and Djaferi claims that the NDP problem is that it does not want to be a real opposition party, but that it is something inbetween.

All this means that we should not expect any spectacular changes in the second round. However, we should note that Djaferi told us that they would respect the gentlemans agreement with the NDP and that their candidates that are running behind NDP candidates will be withdrawn (amazingly, but the NDP denies any such agreement). And finally, we should leave some space to a variant according to which the PDP and the NDP will reach a mutual agreement.

[Box, p 4]

Others Are Guilty

Before the first electoral round, the NDP tried to reach an agreement among the Albanian parties on the division of constituencies, but it was impossible to make any contact between the disunited groups of the PDP. After the first round, the NDP held talks with Arben Djaferi and offered an agreement on constituencies 73 and 74, where Djaferi and Menduh Taci are candidates. An agreement was not reached. No agreement has been reached with the PDP of Abdurahman Aliti, because, according to the NDP leadership, the PDP candidates are not disciplined in implementing the decisions of the central presidency.

At yesterday's NDP news conference in Tetovo, the failure to build an Albanian electoral coalition was explained. Commenting on the election of Kiro Gligorov as president of the republic, the NDP stated that neither of the two presidential candidates had offered anything new in relation to the Albanians, that they are both in favor of keeping its present status, that is of a minority, and that the NDP cannot accept this.

Problems With Auctioning of Business Premises

94BA0429A Skopje PULS in Macedonian
23 Sep 94 pp 18-19

[Article by Natasa Dokovska: "The Wolf Remains Hungry Yet There Are Sheep Missing"]

[FBIS Translated Text] *Auctioning of business premises halted. No one knows for how long. It is high time for passions to abate.*

Last week marked the first auctioning of business premises in Skopje. For the first time in the history of the city, citizens and the state faced each other in the auctioning of 135 premises: the auctioneers and the Public Enterprise for the Management of Housing and Business Premises, or foreign currency holders and the officials implementing the Law on the Sale of Business Buildings and Business Premises. The second "team" of the former requesters of business premises to be sold did not participate. They voiced their feelings in front of the Public Enterprise, where the auctioning was held, objecting to the method as harmful to their interests. Briefly, though, the ice was broken—the first publicly owned premises in the city were auctioned off.

As we already wrote, astronomical prices were reached in the bidding, as much as 10,000 German marks per square meter. The new prices quieted all objections with the realization that fair play and priority rights in this case had been abandoned. On the third day, the bidding was stopped by both sides, caused by the requirement to prove ownership rights to the business premises.

Djorgi Bojkovski, the general director of the Public Enterprise for the Management of Housing and Business Premises in Macedonia, set Tuesday as the last day of the moratorium, the moment the bidding stopped. It was to resume the day before yesterday, but at a slower pace.

The interruption offered yet another opportunity to the most interested users of business premises and to the craftsmen to provide proof of legal ownership and to reassess their ability to repurchase their premises. According to the latest information, however, no one

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knows when this "game" described as bidding will continue. The information provided by the Public Enterprise indicates that 27 bids were submitted within the stipulated deadline for filing additional objections related to the sale of business premises and space through public auction, and another three were submitted after the deadline.

A fair solution will be reached at the proper time. For the time being, we have a "burial without a corpse." The Public Enterprise has announced that we shall be informed as to when and if the bidding will continue. This is guaranteed! But what about those who, having paid astronomical prices, became the new owners of what are probably the most expensive premises in the world? Probably the first purchasers, who had to had to dig deep into their pockets, are now asking themselves whether something will change and whether they will be tricked once again.

Those who intended to purchase and thus recover their foreign exchange savings are retreating and seeking the assistance of the companies that need "help" in repaying the foreign currency savings; third come those who directly depend on the business premises: craftsmen and users of business space. Naturally, day after day, these people are trying to extend the moratorium and thus to obtain something more or, eventually, to put a total end to the sales until the expected changes in the Law on the Sale of Business Buildings and Business Premises has been amended. Djoko Mitreski, the director of the legal department of the Tutun Stock Company, who is among those caught in this situation and who is the purchaser of business premises whose previous user he was, says the following in connection with the moratorium and the public auction:

"We were forced to take this step and purchase the premises even at this unrealistic price (8,600,000 denars for 41 square meters) having invested a great deal of funds in these premises. That is precisely why today we intend to file a complaint and request compensation for the damage, considering that a number of aspects were ignored in drafting the Law on the Sale of Busines" Buildings and Business Premises. Before we took over, the premises belonged to 'Higiena.' They were in very bad shape and we invested some 100,000 German marks to improve them, and much more to make them usable. Under these circumstances we could not and dared not refuse. However, the least we ask is that the priority right be retained and honored instead of what happened. My personal view is that the Law on the Sale of Business Buildings and Business Premises should be more liberal," Mitriveski went on to say, "and to take into consideration the times. All sides could be satisfied: the lenders of foreign currency and the former users of the business premises. To begin with, basically, the issue of legal ownership has not been resolved. Purchase contracts have been ignored. In terms of this specific premise, our contract was to expire in 1995 and, what is most important, no priority was given to the purchasers. We are now forced to think about bidding for the premises which we are using, for the prices which has been bid in the auctions, naturally, were they to continue, make them too steep for us."

The present users also strongly objected to this method for selling business premises in Skopje. Their attorney, the lawyer Slobodan Todosievski, arguing in favor of the rights of the present users, objected to the sale of premises without clear title, while Blagoja Dojcinovski, the chairman of the Craftsmen Association, viewed this problem from a different angle:

"Public bidding or auctioning," he said, "is not the realistic way for selling publicly owned business space. I believe that the Macedonian Government can find a solution when it becomes a question of the livelihood of a certain number of citizens," adding that the tension which exists would not have become so high if, in his view, some political parties had not timed this action to precede the elections.

Dojcinovski did not want to name the specific parties but clearly alluded to the Democratic Party, which had entered into a coalition with the party of the foreign currency owners, headed by Angel Dzambazovski, chairman of the Association of Foreign Currency Holders. But was it necessary to make accusations and trigger a dispute between the craftsmen and foreign currency holders which would harm both? The craftsmen are losing their business premises and the currency owners are losing their money by buying premises at extremely high and unrealistic prices. Still, according to Dobre Stefanovski, the initial owner of an auctioned store and the son of a currency lender, this was his only chance at recovering the foreign currency. While the opposite sides are fighting about who has the right to city business premises and to what extent, the government is using this time-out to make its accounts and correct errors, in an effort to prevent another and worse problem, that of unemployment!

It is precisely by selling some business premises occupied by public companies the number of unemployed merchants would reach 40,000. What would happen then? The way to resolve this problem remains unknown. Another major question is the lack of legal regulations governing the use of business premises in commercial centers, which should be opened some time after the new year. Will this initiate an outbreak of major social tensions in the unemployment of small craftsmen, knowing that their income is a matter of survival or shall we continue to survive only by opening coffeeshops, pizzerias, and boutiques?

The questions many and the answers remain few. Was this not the reason for the moratorium? Yet, the Ministry of Finance issued a regulation making it possible, in repurchasing business premises, to make use of the invested foreign currency and the withdrawal from foreign currency accounts for payments to be made by a

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third individual, a possibility which, so far, benefited only the closest relatives of the owner of the foreign savings account holder?

No legal stipulations exist. The auctioning has been stopped and, perhaps, even ended. The money has already been paid. Those who feel once again tricked, the foreign currency account holders, find a consolation by investing in questionable enterprises, which need the assistance of the foreign currency holders, promising to repay their foreign currency within a stipulated time. Thus, the "Amato" company which, at present, is most vocal and "most concerned" about the fate of the foreign currency lenders, is seeing to it that, based on demand, it pacifies currency lenders by setting refund deadlines of 10, 20, 30, 40, and even 50 months.

If the lender wishes to recover his money immediately, he is given 50 percent of the currency; after 10 months 60 percent; up to 20 months, 70 percent, and thus up to 50 months, by which time the lender is paid the entire amount. As to how this is done (how much is lost and how much is gained), "Amato" has no answer. Director Ljubomir Josifovski justifies his actions by claiming that he is limited in providing information, although all over the city it is being claimed increasingly clearly that the "sacrifice for the good of the foreign currency lenders" is obtained through the acquisition of business premises in the disputed building, which is under construction and is better known as the "Jugobanka."

Although "Amato" bears in mind and tries to satisfy the tricked and fearful citizens, no one is winning the argument. Everyone is a loser. The foreign currency lenders are unable to recover their funds, the present users have no funds with which to purchase at an unrealistic price the business premises, nor is the government able to write off the planned 60 million German marks earmarked to service the debt owned to the foreign currency holders. The wolf remains hungry yet there are sheep missing.

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Federal

Aid to Bosnia Discussed With Iranian Envoy

LD2710205994 Belgrade TANJUG in English 1819 GMT 27 Oct 94

["Pool" item]

[FBIS Transcribed Text] Belgrade, Oct. 27 (TANJUG)—Yugoslav Human Rights Minister Margit Savovic on Thursday met with Charge d'Affaires of the Iranian Embassy in Belgrade Seyed Ahmat Hedayat [name as received].

The meeting was devoted to possibilities for organizing shipments of humanitarian aid from Iran to eastern Bosnia via Yugoslavia.

Savovic said the Yugoslav Government had never prevented the passage of humanitarian aid through the Yugoslav territory on its way to any of the warring sides in the former Yugoslav Republic of Bosnia-Herzegovina.

She said the government would do everything to secure that aid is received where it is needed.

Savovic expressed hope that humanitarian aid sent by the Iranian Government would be distributed to all people in need in eastern Bosnia, regardless of their religion, and that convoys would not be abused for smuggling arms, as it has been frequently reported so far.

Hedayat said his government morally supported the Bosnian Muslims, and all other Muslims throughout the world. He said, however, that it would work to help end the Bosnian conflict and not prolong it.

Hedayat said Iran and Yugoslavia had maintained good relations before the outbreak of the crisis in the former Yugoslavia. He said humanitarian aid to eastern Bosnia could be the first step in their resumption.

Chinese Minister Wants Sanctions Lifted

LD2710152894 Belgrade TANJUG Domestic Service in Serbo-Croatian 1430 GMT 27 Oct 94

[FBIS Translated Excerpt] Belgrade, 27 Oct (TANJUG)—Chinese Deputy Foreign Minister Dai Bingguo, who is leading a Chinese state delegation on a visit to the Federal Republic of Yugoslavia [FRY], stated today that his country wants the complete lifting of sanctions against the FRY.

"We appreciate and welcome the easing of sanctions against Yugoslavia and advocate their final abolition," Bingguo told journalists after talks with the Socialist Party of Serbia [SPS], led by SPS deputy chairman Goran Percevic.

Pointing out that "China had always worked for the complete lifting of sanctions against the FRY," Bingguo added that Beijing would continue to advocate this in the future, too. [passage omitted]

Bingguo stressed that China opposes the U.S. initiative to unilaterally exempt the Bosnian Muslims from the UN arms embargo.

"We believe that every country advocating this should bear serious responsibility. We do not agree with action that could only complicate the situation," the Chinese diplomat said. [passage omitted]

Federal Officials View Stabilization Program

95P20095A

[FBIS Media Note] Public officials in the Federal Republic of Yugoslavia (FRY) have recently made statements expressing confidence in the government's economic stabilization program and warning of the consequences for those whose actions undermine the program.

At a 4 October news conference reported in the 5 October issue of the Belgrade daily BORBA, National Bank of Yugoslavia Governor Dragoslav Avramovic, the mastermind of the stabilization program, distributed charts of economic indicators to the journalists to show how the economy had been developing since the program was launched on 24 January 1994. According to Avramovic's data, reported in BORBA under the rubric "Figures That Prove Success," "retail prices have increased slightly by a total of 3.7 percent. This reflects the cost of goods, which has declined 12.2 percent, while the cost of services rose 23.3 percent. Production has increased by 31 percent, and in one year (since August 1993) by 11 percent. Capital reserves as of 14 September amount to 1.2 billion dinars, while money in circulation totals 2.1 billion dinars."

During a 4 October visit to Nis, the major city of south Serbia, Mirko Marjanovic, prime minister of the Republic of Serbia, spoke about the stabilization program during a meeting with business and banking representatives from the region. His comments were published in the Belgrade daily VECERNJE NOVOSTI on 5 October under the title "We Will Save the Dinar." He summarized the stabilization program's successes: "Today we have a stable dinar, stable prices, an improved standard of living, and stores full of goods. We have increased hard-currency reserves. The state and the budget are not financed by the printing of money but by real resources. Production is gradually reviving, and workers are returning to the plants."

Injecting a note of caution, Marjanovic added that: "We have not achieved everything yet, however. We now must defend these results." He further emphasized that "a stable dinar is the foundation" for the recovery program and that the government would do everything possible to "save it." He announced that electricity rates would not increase, and that prices would be brought under control by using reserves and imports, "stabilizing" agricultural products, "controlling prices in the public sector, [and] taking steps against monopolies."

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On the subject of taxes, Marjanovic promised that "the citizens of Serbia must never again be subjected to drastic taxation, which arrests any economic activity and kills the very desire to be productive." Discussing the currency black market, where one German mark brings 1.4 dinars, compared to the official exchange rate of one dinar for one mark, Marjanovic asserted that the problem "does not warrant dramatization." He pledged that government agencies and specialists would "resolve it and are already working on it." As for interest rates, Marjanovic stressed they should be flexible and realistic and "must never become excessive." He declared his determination to "put an end to violations in this area."

During a visit to Novi Sad, capital of Serbia's Vojvodina Province, Zoran Lilic, president of the FRY, met with directors of "leading Vojvodina companies" at the Beocin cement plant. According to a report aired on Belgrade RTB Television Network at 1830 GMT on 7 October, Lilic apparently rebuffed the directors' pledge of "unanimous... support for the program of economic recovery," by declaring that "verbal and moral support was not sufficient, and concrete support was needed."

The RTB report included Lilic's comments to the effect that the program was being "destabilized" by those "whose aim is to undermine the FRY's economic system, cause chaos on the market, and, in this way, most directly to destabilize the general situation in the FRY." He charged that there were attempts to weaken the official dinar exchange rate, and that some enterprises were taking part in these economic "crimes"—for which they will have to "bear certain consequences." Lilic went on to say that the National Bank of Yugoslavia and the federal and republic governments would put a stop to such acts, because "this is, in fact, where monetary chaos starts."

Conflict Between Leftist Ideologists Reviewed

95BA0013A Belgrade VREME in Serbo-Croatian 10 Oct 94 pp 16-18

[Article by Nenad Lj. Stefanovic: "Markovic vs. Markovic"]

[FBIS Translated Text] Dr. Mirjana Markovic recently shot a new arrow. The target of the Yugoslav communist ideologue and the wife of the president of Serbia this time was Dr. Mihailo Markovic, member of the academy, the man who has long been known as the unofficial ideologue of the Socialist Party of Serbia [SPS]. And while the arrow was in flight, and Dr. Mihailo Markovic was attempting to dodge it and not only to stay on his feet, but even to prepare some kind of counterattack, it is worth recalling that Dr. Mirjana Markovic (partly because of her accuracy, partly because of the position she occupies) has so far never missed those at whom she has aimed in the notes she writes in her journal. Nor, it seems, has she ever aimed at such an important target as Dr. Mihailo Markovic.

This "conflict on the left," which (at least for now) is, on the surface, being waged only by means of the newspaper exchange between the party ideologues of the Socialists and Communists, the outcome and consequences of which is not clear, has in recent days almost entirely preoccupied the attention of Belgrade political salons to such an extent that the leader of the Radicals, Dr. Vojislav Seselj, seems to have gone to prison for nothing. Compared to the Markovic vs. Markovic bout and the nature of the electricity surrounding that conflict, Seselj's prison time has increasingly become an event of secondary importance. Incidentally, that same arrow from DUGA hit him not so long ago.

Natural Alliance

Before this conflict, it was even thought that the recently established Yugoslav United Left (JUL), a political organization that brings together 25 parties and movements and in which Dr. Mirjana Markovic is also said to be one of the leading figures, was supposed to serve as a backup unit of the SPS. It was thus said, for example, that the JUL would gather up (but not snatch away) what had begun to crumble away from the SPS—those who were nostalgic for Yugoslavia and for Broz, who, a bit confused by the frequent twists and turns of the incumbent party, would most like not to vote for anyone.

But we knew even earlier that a current in the SPS, and not such an unimportant one either, has squirmed every time Mirjana Markovic made a public statement and has hardly been able to restrain itself from having something public to say about the notes in her journal. Only devotion to Slobodan Milosevic, the head of their party and her husband, has prevented them from expressing their dissatisfaction publicly, outside the corridors of the party. But in those corridors the opinion has sometimes been expressed that Dr. Mirjana Markovic, in spite of the fact that she frequently performs as a "one-man band" and without a strong party behind her, is perhaps more dangerous in terms of the disastrous nature of her influence on SPS policy than the entire opposition and that with her theory about a New Left, which needs "a new theory plus a new organization," she is only in the way and creating confusion. As the crowning evidence of her exceptional power, it is often mentioned that three ministers from "Mirjana's party," which does not have a single seat in either house, had become part of Mirko Marjanovic's government.

In this "natural alliance," the SK-PJ [League of Communists—Movement for Yugoslavia] has always been a bit on the restless side. From time to time, distinguished officials of that party would issue carefully balanced criticism of the government and the SPS, but care was always taken not even to nick Slobodan Milosevic himself.

Underestimation of the JUL

The open conflict, at least with the public, began with Dr. Mihailo Markovic's recent interview in the newspaper INTERVJU. It appeared at first that the interview

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was significant for providing the most complete explanation to date from someone in the top leadership of the SPS of the real, mainly ideological background of the conflict between Belgrade and Pale, and also for its answer to the question of why it is not possible today for the trans-Drina Serbs to unite with the parent country. It turned out, however, that the interview was incomparably more important for what Academician Markovic had to say about the Yugoslav United Left. In Dr. Markovic's assessment, the JUL does not have much chance of gaining greater support of the citizens of Serbia and is actually contributing to the false impression that some kind of pluralism exists on the left. He gave as a reason for this outsider position of the JUL their mistaken gamble on the "revival of AVNOJ [Antifascist Council of the National Liberation of Yugoslavia] Yugoslavia" and their criticism of the SPS as a "nationalistic" party "reviving capitalism."

A fairly harsh response addressed to Dr. Markovic soon arrived from the JUL. Actually, it expressed disappointment that Academician Markovic was refusing to support efforts to unify leftist forces and charged that the criticism of the JUL was coming from a man who was thereby only confirming his "nationalistic consistency and anti-Yugoslavism, which is dragging this society deeper and deeper into the mud." Those charges (and much more) were carried in Dr. Mirjana Markovic's journal notes. She mentions in her journal the "jealousy" of Academician Markovic that something had emerged on the political scene that was "leftist, more to the left and perhaps more handsome than that left" that he represents. He is called arrogant over the question whether "a man can count on being taken seriously in political matters when in one life, a long one, he has managed to be a partisan and communist, a member of PRAXIS, a Socialist, and finally a nationalist"? At the end of the article, which has been widely quoted in almost all the daily newspapers, Dr. Markovic is told that he has not acted like a "good man" and that as an ideologue of the SPS he has done harm to his own party, which is supposed to be the opposition's job.

Immediately after the last issue of DUGA was published, Dr. Mirjana Markovic got abundant help in the polemical duel from her party comrades. Dr. Nenad Djordjevic, leader of the JUL, today a businessman, but formerly an employee of the State Security Service who worked on counterintelligence matters, accused Mihailo Markovic of being malicious. In his opinion, the essential difference between the SPS and the JUL is that the SPS is a nationalistic party, while the JUL wants to be a civil party that advocates equality regardless of an individual's religion or nationality. Slobodan Panov, JUL spokesman, was also asked to make a comment for the newspapers on Dr. Mihailo Markovic's statement. Panov added to everything that had been said in past days about the ideologue of the SPS "specific dogmatism" and "spiritual arrest." Zoran Cicak, distinguished member of the SK-PJ, nevertheless went furthest in noting that Dr. Markovic is now, on the eve of peace, justifying the war in Bosnia and Herzegovina and Croatia with "Jesuitic indifference," referring to it, at least as far as the Serbs are concerned, as a war of liberation. "It is only a small step from there," Cicak says, "to amnesty of those guilty of mass destruction, looting, and ethnic cleansing." In a second installment of that article, also published in INTERVJU, Academician Markovic is also told that the "hard-line" ethnic policy he has been advocating has moved the western border of the Serbian/Yugoslav state from the Karawanken Alps to the Drina. "The enclaves in which the Serbs live west of the Drina have been turned into a military camp, they are isolated internationally, satanized in the media, and unfortunately they are under the administration of the worst Serbs who have lived in this century," Cicak asserts.

For the present, Dr. Mihailo Markovic has not had any public support in defense of his position from the party of which he is the unofficial ideologue. Only BORBA deigned to publish his response to Mirjana Markovic, sent to all the daily newspapers which had recently carried excerpts of her journal. One gets the idea from this response, in which Dr. Mihailo Markovic rebuts all the charges made against him and also against the Socialists, accused of being a "nationalistic party," that all previous attempts to overcome the "conflict on the left" through the efforts of internal party diplomacy seem to have been unsuccessful. Journalists, obviously well-informed about the events around No. 33 Tolstojeva Street, say that before this public letter Mihailo Markovic is said to have sent an internal letter to that address, suggesting to Mirjana Markovic that they stop quarreling. Soon after that, she spoke out in DUGA, after which Dr. Markovic could do nothing other than once again, this time publicly, repeat that he is not happy about the emergence of everything "left-wing" on the political scene. He referred to the calls for reintegration of Yugoslavia as an inability to accept reality, enslavement to ideological prejudices, and a form of masochism. In response to the observation of the SK-PJ Markovic that "he is not a good man," the SPS Markovic noted a bit spitefully what he calls the new rule recently entered in the code of ethical values: "Do not abuse the political organization to which Mirjana Markovic, Belgrade sociology professor, belongs. If your heart gladdens her, you are a good man. If you do not feel joy, if you do not offer her help, if you do not join her and those who think like her, you are not good, and you will be damned."

While the Arrow Is in Flight

Anxious to see where Dr. Mirjana Markovic's newest arrow will strike, some recommend waiting for the new issue of DUGA. Others, who also refer to "well-informed circles," say that in mid-October we could see the previously announced "continuing rejuvenation and replacement of one-third of the members of the highest leadership" of the SPS. That could mean that Dr. Mihailo Markovic is no longer the principal ideologue of

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the incumbent party, even officially, as foreseen last March by General Stevan Mirkovic, when he said that the job had long ago been taken unofficially by none other than Dr. Mirjana Markovic. Along with Academician Markovic, the new broom of personnel differentiation would allegedly also carry away certain SPS leaders who have had a hard time learning the refrain "there is no alternative to peace," or who are not yet convincing enough in saying that the new course should be adopted. Among the first the new wave is supposed to carry away, they mention insubordinate Federal Deputy Brana Crncevic. From what some people say, he long ago put his resignation in an envelope and sent it to Slobodan Milosevic.

Similar sparks have been flying in recent weeks, it seems, in the SK-PJ as well. The departure of the old guard is being announced (a demand has arrived from Nis for removal of Dr. Dragomir Draskovic), which supposedly is not too happy about the merger of his party into the JUL; and they also mention certain financial misappropriations by certain influential members that could shake up that party. Dr. Nenad Djordjevic, temporary leader of the JUL, said recently that the SPS is a party of the past and possibly the present, while the SK-PJ has quite reliably placed itself in the past, unlike the JUL, which is a project for the next century. Those who are using slide rules to measure the political scene of Serbia say that soon the JUL will take its place wholly to the left, and the SPS a bit left of center.

If predictions are borne out concerning the "rejuvenation of personnel," the SPS might for the first time confront what all opposition parties here have already faced—internal splits. Through all these changes of direction so far, and there have been a very great many recently, the SPS has maintained its monolithic nature, perhaps thanks to the fact that several currents always existed in it, but they were always ready in the end to follow Slobodan Milosevic's lead.

"By contrast with the internal splits in the opposition parties, the incumbent SPS has managed so far to preserve its internal homogeneity," says Dr. Vladimir Goati, of the Institute of Social Sciences in Belgrade, to explain this phenomenon. "In that respect, the SPS also differs from many former governing parties in postcommunist countries, which experienced an internal split into 'liberal' and 'conservative' wings just in advance of the first free elections (the Hungarian Socialist Workers Party, the Polish United Workers Party). The absence of a split into orthodox and liberal currents in the SPS is mainly the result of the fundamental 'purge' of liberals that persisted with undiminished ferocity in that party from 1972 to 1974. In a similar way, the 'past' of the CP [Communist Party] Czechoslovakia, that is, the merciless purge of the protagonists of the 'Prague Spring' that occurred in that party in 1968, explains the absence of deep internal splits between 1989 and 1990," Dr. Goati says.

Of all the outcomes of the "conflict on the left" which have been mentioned recently, the one that sounds least likely has Slobodan Milosevic attempting to neutralize the political activity of his wife, or, for the sake of peace in his own party but unrest in his own house, he distances himself publicly from the notes in her journal. Just as it has been shown that Milosevic is too weak to be a new Tito, so it is obvious that Mirjana Markovic is too strong to be a new Jovanka Broz, as some circles in the SPS are said to want to see. That is why there are incomparably more of those who think that the spouses at No. 33 Tolstojeva Street are all the while actually playing an extremely clever game that is confusing to many people, but one which has always succeeded up to now.

Branko Milanovic, occasional columnist in BORBA, recently said that the Milosevic-Markovic couple always pretends to be at odds, but actually they are pretty well coordinated and harmonious in what they do.

Some people might find even a dose of maliciousness in that view. If there is any, it is incomparably milder than the maliciousness in the anecdote circulating in Belgrade these days. Milosevic, runs the anecdote, suddenly fell in love with Vuk Draskovic, decided to be like his formerly fiercest opponent and possible future ally in at least two things: his peaceful orientation and his use of the tried-and-true formula that the most effective way to break up one's party is to allow one's wife to write columns in the newspaper.

Kosovo

Local Serbian Leader Criticizes Milosevic

AU2710163894 Belgrade NIN in Serbo-Croatian 21 Oct 94 pp 13, 14

[Interview with Kosovo Serb leader Kosta Bulatovic by Katarina Matic; place and date not given: "Milosevic Has Betrayed Us"]

[FBIS Translated Excerpt] Kosta Bulatovic, the first signatory to the letter, or rather the new petition, from the Kosovar Serbs addressed to the Serbian public—published by NIN for the first time—is not to be presented particularly to the readers. Together with Miroslav Solevic, Bosko Budimirovic, Dusan Ristic, and the late Tomislav Sekulic, he was the pillar of the Serbian Resistance Movement, which was founded in 1981 in the wake of the mass ethnic Albanian demonstrations. As the first signatory to Petition 2011, which first signalled the Serbian resistance to ethnic Albanian separatism, he was arrested and persecuted. In the period between that initial and the new petition, which tells the public that the reasons for dissatisfaction with the Serbian authorities in Kosovo are so great that it is necessary to reactivate the Serbian Resistance Movement, Bulatovic has changed from being a national hero to a national traitor.

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No individual is better qualified to testify to the dissatisfaction of the Kosovar Serbs, to outline the reasons for the reactivation of the resistance movement, and to organize a new petition than Bulatovic, and he has again been the first to sign it.

[Matic] What was the direct reason for the dissolved Serbian Resistance Movement to assemble again?

[Bulatovic] The direct reason was the current situation, which is becoming increasingly difficult and is endangering the continued survival of the Serbian people in Kosovo. The second motive, seeemingly an indirect one, may be even more important than the first and it is the way in which the Belgrade regime is settling the Serbian national question in the Srpska republic and the republic of Serbian Krajina.

[Matic] Do you mean that the Kosovar Serbs fear that the same fate as that of the Serbs across the Drina [in Bosnia-Herzegovina and Croatia] might befall them as well?

[Bulatovic] Our petition was also motivated by that fear. It simply awoke us from a deep sleep. If Milosevic renounces the Srpska republic overnight, where he has people and territory, what will happen with this part of Serbia, where he has neither people nor territory? There are fewer than 200,000 Serbs in Kosovo, which is in ethnic Albanian hands.

[Matic] Which means that you support the struggle going on across the Drina?

[Bulatovic] Of course, it is our joint struggle, and whether we shall succeed in defending the territory of the Serbian people across the Drina is precisely the issue on which depends our strength to defend Serbian interests here as well. Second, since it is we Serbs from Kosovo who created Milosevic and let his genie out of the bottle, we consider ourselves to be responsible for everything that is happening to the Serbian people and Serbia today. Milosevic soared to the throne on the shoulder of the Serbian Resistance Movement in Kosovo and Metohija. The movement prepared everything for him and enabled him to rule in whatever way pleases him.

[Matic] You seem to be disappointed with the president of Serbia.

[Bulatovic] God could not have laid a greater misfortune upon us Serbs than to leave the communists in the power, instead of [Josip Tito] Broz to give us a little Broz.

[Matic] Still, the fact is that you supported Milosevic and stood by his side.

[Bulatovic] That is not true. Milosevic stood by my side as long as he needed me and the entire resistance movement. The movement was established in 1981, it became stronger until 1986, while Milosevic came to Kosovo Polje in April 1987 and simply captured our hearts with the famous statement of his, that nobody will be allowed to beat us Serbs. He needed us until early 1989, when he formed the Red Peony [an organization that travelled throughout the former Yugoslavia, organizing rallies and promoting Serbian nationalism] and ideologically colored the national question.

[Matic] Do you suggest that the Red Peony was formed solely for that reason?

[Bulatovic] Yes, solely for that reason: to square accounts with the leaders of the resistance movement, to pronounce them traitors and turn the national platform into a platform of the communist party. Milosevic was afraid of the leadership of the resistance movement and knew that I was an implacable anticommunist. Since I knew that, if I did not stop, a car might hit me, or a brick from some dilapidated house might fall on my head, I decided to give up.

[Matic] Is the reactivation of the Serbian Resistance Movement a protest against the policy pursued in Kosovo by the president of Serbia?

[Bulatovic] It is not a protest against Milosevic. Rather it is a protest against official Serbian policy, which he embodies.

[Matic] How has the president of Serbia disappointed you the most?

[Bulatovic] The fact that he has not changed the political system, but is rather trying to settle problems by using the old power mechanisms is our greatest disappointment. He has remained a communist, which is best seen in the fact that his party's interests are more important to him than national interests. He wants to settle the Serbian national question and to preserve communism at the same time. He gave up the national struggle for the Serbian territories across the Drina for ideological reasons. Fearing that the epidemic from there might spread over here, he has imposed more severe sanctions against the Srpska republic than the UN Security Council did against Yugoslavia. These days the Drina has become as wide as the Atlantic Ocean.

[Matic] You once said that everything regarding Milosevic became clear to you when the new Serbian Constitution was passed and when it was said that Serbia was a state of its citizens. What was so disappointing for you about this?

[Bulatovic] It became clear to me that Milosevic was not a fighter for the Serbian national interests, and that the Constitution had been designed by people who act as if they had come from another planet.

[Matic] Do you think that Serbia ought to be the state of the Serbian people only?

[Bulatovic] It ought to be the state of the Serbian people, as well as the motherland of all those who are its loyal citizens.

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[Matic] Do you oppose the establishment of a new Yugoslavia?

[Bulatovic] I am against any Yugoslavia, because it has always meant death for the Serbian people. [passage omitted]

[Matic] Since the Socialists in Kosovo are also dissatisfied with Serbia's policy, did you offer them the chance to sign the petition and join you?

[Bulatovic] Our petition has caused a shake-up among the Socialists as well. Having found out that the petition of the Serbian Resistance Movement had been launched, they have also reacted in their own way. Basically, the Socialists have also decided to become Serbs. They could no longer put up with the betrayal by their party, which was trying to convince them all the time that everything in Kosovo is all right, and all they have to do is to be complacent. Their reaction and dissatisfaction with the situation in Kosovo and Metohija is the first result of the reactivation of the Serbian Resistance Movement, and we welcome them joining the revolt against the sterile and treacherous policy pursued by the current government.

[Matic] Whose support are you counting on?

[Bulatovic] At the moment, I am counting on Vojislav Kostunica's democrats, Slobodan Rakitic's members of DEPOS [Democratic Movement of Serbia], the Serbian Democratic Party led by Momcilo Trajkovic, on Tomislav Nikolic's radicals and other democratic and patriotic parties.

[Matic] Do you reckon on support from Milosevic this time?

[Bulatovic] This time we will have seriously to reconsider his support. Our experience with him has taught us that nobody is to be unreservedly trusted, if we want to keep control over our own destiny. Which is to say, Milosevic, instead of being the leading communist, would have to become the leading Serb, and we would demand the same from anybody else who would put himself forward as our savior. Second, Milosevic would have to change the policy on the Serbs across the Drina and immediately lift the embargo against our brothers. However, we know Milosevic very well, and we do not believe that he will change that easily. After all, he himself said that he would not change. It seems that what remains to us is to turn to our own resources, which is, I suppose, the Serbian destiny.

[Matic] To what extent do the Kosovar Serbs trust Milosevic today?

[Bulatovic] Thank God, increasingly less. He has simply forgotten the Serbs. That is a result, among other things, of this attitude toward the Serbs in the Srpska republic and the republic of Serbian Krajina, as well as of the current disastrous situation in Kosovo and Metohija. They do not trust him because he backs certain people whom even God would refuse to accept in heaven. To what extent Milosevic regards those Serbs who wholeheartedly stood by his side at the most difficult time is illustrated by the fact that he did not even sent a message of condolence to the families of the late Tomislav Sekulic and Mico Sparavalo. The Serbs could not believe that this was possible.

[Matic] Since after Petition 2011 you were arrested, followed, and bugged, and you are now once again the first signatory to the latest petition, are you afraid that you might be arrested again?

[Bulatovic] Just as before, I am ready to take everything even now. This is not my personal struggle. This is a struggle for Kosovo and the survival of the Serbian people there. The petition has already shown that I am not alone. The proof of this is the large number of signatures.

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